



PUDUMJEE PAPER PRODUCTS LTD.

Registered Office

Registered Office:

Thergaon, Chinchwad, Pune-411033
Tel: +91-20-40773333, Fax: +91-20-4077 3388
E-Mail : pune@pudumjee.com, sk@pudumjee.com.
CIN: L21098PN2015PLC153717
GSTIN 27AAHCP9601Q1ZQ

Corporate Office:

Jatia Chambers, 60, Dr. V.B.Gandhi Marg, Kalaghoda.
Mumbai-400001 India.
Tel: +91-22-30213333, 22674485, 66339300,
Fax: +91-22-22658316.
E-Mail: pudumjee@pudumjee.com

VJ:794

01st July, 2019

The Manager,
Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.

Scrip Code:- PDMJEPAPER

The Manager,
Corporate Relationship Department,
BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001.

Scrip Code:- 539785

Dear Sir/Madam,

Subject: Annual Report for the Financial Year 2018-19.

Pursuant to the Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 we have enclosed the Annual Report of the Company for the Financial Year 2018-19 for your information and record.

Kindly take the aforesaid on your record.

Thanking you,

Yours Faithfully,

For **Pudumjee Paper Products Limited,**

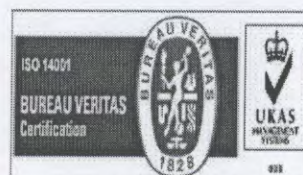
Vinay Jadhav
Company Secretary
Encl.: As Above



ISO 22000: 2005
RH91/10093



ISO 9001:2015
PCMS/QMS/16292018



ISO 14001:2015
IND 16.8578/U/E



The mark of
responsible forestry

**PUDUMJEE
PAPER PRODUCTS
LIMITED**



PUDUMJEE

**ANNUAL REPORT
2018 - 2019**

PUDUMJEE PAPER PRODUCTS LIMITED

DIRECTORS :

A. K. JATIA (Executive Chairman w.e.f. 01-08-2018)
V. P. LEEKHA (Managing Director upto 30-04-2019)
S. K. BANSAL
V. K. BESWAL
NANDAN DAMANI
MRS. MADHU DUBHASHI
DR. ASHOK KUMAR (Executive Director)
B. K. KHAITAN

BANKERS :

STATE BANK OF INDIA
IDBI BANK LIMITED
YES BANK LIMITED
THE SARASWAT CO-OPERATIVE BANK LIMITED
AXIS BANK LIMITED

AUDITORS :

J. M. AGRAWAL & CO.

REGISTERED OFFICE :

THERGAON, PUNE 411 033.

REGISTRAR & TRANSFER AGENTS :

KARVY FINTECH PVT. LTD.,

UNIT : PUDUMJEE PAPER PRODUCTS LIMITED

KARVY SELENIUM TOWER B, PLOT NO. 31 & 32,
GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA,
SERILINGAMPALLY, **HYDERABAD – 500 032.**

DEMAT STOCK CODE :

INE865T01018

EQUITY SHARES ARE LISTED AT :

BSE LTD. AND NATIONAL STOCK EXCHANGE OF INDIA LTD.

NOTICE

The **Fifth** Annual General Meeting of the Shareholders of **Pudumjee Paper Products Limited** will be held at the Registered Office of the Company at Thergaon, Pune 411 033 on Saturday, the 27th day of July, 2019 at 3.00 p.m. (ST) to transact the following business :

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 comprising the Audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in place of Dr. Ashok Kumar (DIN: 07111155), who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To declare a dividend on equity shares of the Company for the year 2018-2019.
- 4) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :

“RESOLVED THAT pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. J. M. Agrawal & Co., Chartered Accountants (Firm Registration No. 100130W), the Auditors of the Company made vide Shareholders’ Resolution passed in 3rd Annual General Meeting held on 22nd July, 2017 from the conclusion of this meeting till the conclusion of next Annual General Meeting of the Company be and is hereby ratified on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee”.

SPECIAL BUSINESS:

- 5) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to the undernoted subsisting contracts/arrangements already entered into or to be entered into and further authorized to deal in related party transaction(s) as under :

PUDUMJEE PAPER PRODUCTS LIMITED

Sr. No.	Name of the Related Party	Nature of Transactions	Aggregate Amount (₹)	Duration of Agreement/ Contract
1	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	Purchase of Renewable Energy Certificate (REC) or payment in lieu thereof.	Aggregate Consideration not exceeding ₹ 100 Lakhs per Financial Year.	Continuous Arrangement
		Arrangement/Contract/Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Repayable On Demand Continuous Arrangement
		Arrangement/Contract/Agreement for Sale of tissue papers, Napkins, Towels, etc. at Market based rates.	About ₹ 10 Lakhs for each financial year.	Continuous arrangement.
		Arrangement for providing the Common Services (such as telephone, electricity, Computer etc.).	About ₹ 15 Lakhs for each financial year on cost basis.	Continuous arrangement.
2	3P Land Holdings Limited (formerly known as Pudumjee Industries Limited)	Arrangement/Contract/Agreement for Accepting/ Providing Inter Corporate Deposits.	An amount remaining outstanding during any financial year not exceed ₹ 4,000 Lakhs. Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Repayable On Demand Continuous Arrangement
		Arrangement for providing the Common Services (such as telephone, electricity, Computer etc.).	About ₹ 5 Lakhs for each financial year on cost basis	Continuous arrangement.
3	Thacker and Company Limited	Arrangement/Contract/Agreement for Accepting/ Providing Inter Corporate Deposits.	An amount remaining outstanding during any financial year not exceed ₹ 4,000 Lakhs. Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Repayable On Demand Continuous Arrangement
4	Chem Mach Private Limited	Arrangement/Contract/Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Repayable On Demand Continuous Arrangement
5	Pudumjee Plant Laboratories Limited	Arrangement/Contract/Agreement for Accepting/ Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Repayable On Demand Continuous Arrangement

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, deem necessary, and to execute all necessary documents”.

- 6) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and subject to such other approvals, permissions and sanctions including that of the Central Government as may be necessary, and subject to such conditions and modification(s) as may be required and which Mr. Arunkumar Mahabirprasad Jatia may accept, Mr. Arunkumar Mahabirprasad Jatia (DIN:01104256) be and is hereby appointed as “Whole-time Director” designated as “Executive Chairman” of the Company for a period of five years with effect from 1st August, 2018 AND THAT consent be and is hereby accorded to the following remuneration, payments, benefits and amenities, for an initial period of 3 years, and the terms of the appointment of the said Mr. Arunkumar Mahabirprasad Jatia with a power to the Board of Directors to alter or vary from time to time at its discretion, the remuneration and other terms so however that they do not exceed the permissible limits laid down under Schedule V to the Act and/or any statutory modification(s) or re-enactment thereof for the time being in force, namely :

- (a) The Executive Chairman shall, subject to the supervision and control of the Board of Directors, be in overall charge of the Company’s activities and shall perform such other duties and services and exercise such further powers as shall, from time to time, be entrusted to him by the Board of Directors.
- (b) Remuneration at the rate of ₹ 10,05,000/- per month including Dearness Allowance.
- (c) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation.
- (d) Expenses on electricity, gas, water and furnishing of the residential accommodation.
- (e) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges in India or abroad and travelling expenses incurred for himself, his wife and dependent children.
- (f) Leave Travel Assistance to cover air or first class air-conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India and abroad.
- (g) Membership fees including entrance and other fees for any two Clubs.
- (h) Personal accident insurance premium.
- (i) Benefits and Amenities:
 - a. Company’s contribution to Provident Fund and Pension/ Superannuation Fund as per Company’s Rules;
 - b. Gratuity as per the Company’s rules applicable to its Executive Staff Members.

With the benefits of transfer of his accumulated balances/contributions in Provident Fund and Superannuation Fund and accumulated service with AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited).
- (j) (a) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave.
- (b) Sick and casual leave as per Company’s rules applicable to its Executive staff members.

- (k) Maintenance of telephone(s) at his place of residence and mobile phone(s) at the entire cost of the Company.
- (l) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling charges, etc. at the entire cost of the Company.

Minimum Remuneration : In the absence or inadequacy of profits in any financial year, the remuneration as stated in (b) above together with perquisites, benefits and amenities shall nevertheless be paid as minimum remuneration notwithstanding the fact that such remuneration is or may be in excess of the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

- 7) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and subject to such other approvals, permissions and sanctions including that of the Central Government as may be necessary and with further reference to the Special Resolution passed at 02nd Annual General Meeting held on 17th September, 2016, the consent of the Shareholders of the Company be and is hereby accorded to the following revised remuneration, payments, benefits and amenities, paid/payable to Mr. Ved P. Leekha, Managing Director of the Company, with effect from 01st April, 2018 till the 30th April, 2019 and the terms and conditions of his appointment, with a power to the Board of Directors to alter or vary from time to time at its discretion, the remuneration and other terms so however that they do not exceed the permissible limits laid down under Schedule V to the Act or any statutory modification(s) or re-enactment thereof for the time being in force, namely;

- (a) Remuneration at the rate of ₹ 6,45,000/- per month including Dearness Allowance.
- (b) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of ₹ 2,30,000/- per month.
- (c) Expenses of electricity, gas and water, furnishing, of the residential accommodation.
- (d) Actual medical expenses including health insurance premium, hospitalization, nursing home charges, surgical charges and travelling expenses incurred for himself, his wife and dependent children.
- (e) Leave Travel Assistance to cover air and first class air conditioned railway fare for himself, his wife and dependent children once in a year to and from any place in India.
- (f) Membership fees including entrance and other fees for any two clubs.
- (g) Personal accident insurance premium.
- (h) (i) Participation in the Provident Fund.
(ii) Gratuity as per the Company's rules applicable to its Executive staff members.

- (iii) 1. Pension, by whatever named called, @ ₹ 1,45,000/- per month to Mr. Ved P. Leekha during his lifetime and thereafter to his spouse during her lifetime, from a date next following the date of his leaving the service of the Company i.e., 01st May, 2019.
2. Actual premium for Medical Insurance by whatever named called, for Mr. Ved P. Leekha and his spouse, during his lifetime and thereafter for his spouse during her lifetime, at a cost not exceeding ₹ 6,00,000/- per annum, from a date next following the date of his leaving the service of the Company i.e., 01st May, 2019.
- (i) i) Annual leave with full pay and other benefits for a period of one month with benefit of encashment of unutilized leave at the end of the tenure.
- ii) Sick and casual leave as per Company's rules applicable to its Executive staff members.
- (j) Maintenance of telephone(s) at his place of residence and Mobile Phone(s) at the entire cost of the Company.
- (k) Exclusive free use of a motor car for the business of the Company as well as for his personal use with full maintenance charges in respect thereof such as chauffeur's salary, garage rent, fuel, repairs, insurance, taxes, overhauling, charges, etc. at the entire cost of the Company.

Minimum Remuneration : In the absence or inadequacy of profits in any financial year, the remuneration as stated in (a) above together with perquisites, benefits and amenities shall nevertheless be paid as minimum remuneration notwithstanding the fact that such remuneration is or may be in excess of the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution".

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 and subject to such other approvals, permissions and sanctions including that of the Central Government as may be necessary and with further reference to the Special Resolution passed at 02nd Annual General Meeting held on 17th September, 2016, consent of the Shareholders of the Company be and is hereby accorded to the following revised remuneration, payments, benefits and amenities, paid/payable to Dr. Ashok Kumar (DIN: 07111155), Executive Director of the Company, with effect from 01st April, 2018 till the remainder of his term of appointment, the other provisions of the said Special Resolution remaining unaltered:

- (a) Remuneration at the rate of ₹ 5,82,000/- per month including Dearness Allowance.
- (b) Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,85,000/- per month.

Minimum Remuneration : In the absence or inadequacy of profits in any financial year, the remuneration as stated in (a) above together with perquisites, benefits and amenities shall nevertheless be paid as minimum remuneration notwithstanding the fact that such remuneration is or may be in excess of the limits prescribed under the Act.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

- 9) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT the consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company, pursuant to Sections 73(2) and 76 of the Companies Act, 2013 (‘the Act’ which term includes any amendment or modification or re-enactment thereof) and other applicable provisions of the said Act or other laws, and subject to the conditions laid down in those provisions and the Companies (Acceptance of Deposits) Rules, 2014, to invite and accept deposits from the public in general, on such terms and conditions as the Board may decide, so however that the borrowing by way of fixed deposits, as above, shall not exceed the limits laid down under the Companies (Acceptance of Deposits) Rules, 2014 in force and as amended from time to time”.

- 10) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 185 and other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder, the Board of Directors of the Company be and is hereby authorised:

- To advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested (i.e. including any private Company of which any such Director is a Director or member, any body corporate at a general meeting of which not less than twenty-five percent of the total voting power may be exercised or controlled by any such Director, Managing Director or Manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any Director or Directors, of the lending Company), provide that such loans are utilised by the borrowing Company for its principal business activities and in particular to the following Companies in which one or more Director(s) may be deemed to be interested on the terms and conditions stated against their respective names:

Sr. No.	Name of the Company	Amount not exceeding of ₹	Rate of Interest p.a.	Commission for Corporate Guarantee p. a.	Term
1	Pudumjee Plant Laboratories Limited	₹ 40 Crores	Upto 10.00% p.a. but not less than 9.00% p.a.	Nil	Repayable on Demand
2	3P Land Holdings Limited (formerly known as Pudumjee Industries Limited)	₹ 40 Crores	Upto 10.00% p.a. but not less than 9.00% p.a.	Nil	Repayable on Demand
3	Thacker and Company Limited	₹ 40 Crores	Upto 10.00% p.a. but not less than 9.00% p.a.	Nil	Repayable on Demand
4	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	₹ 40 Crores	Upto 10.00% p.a. but not less than 9.00% p.a.	Nil	Repayable on Demand
5	Chem Mach Private Limited	₹ 40 Crores	Upto 10.00% p.a. but not less than 9.00% p.a.	Nil	Repayable on Demand

RESOLVED FURTHER THAT, the Board be and is hereby authorised to finalise, sanction and disburse the said loans, guarantees and security and also to delegate all or any of the above powers to Committee of Directors or any Director(s) of the Company and generally to do all acts, deeds and things that may be deemed necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

- 11) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time and to time, the Company hereby approves the remuneration of ₹ 2,50,000/- for Mr. Narhar K. Nimkar (Membership No. F-6493), Cost Accountants in Practice, who have been appointed by the Board of Directors of the Company as the Cost Auditors of the Company, to conduct the audit of the Cost Records of the Company relating to “PAPER” for the Financial Year ending 31st March, 2019.”

- 12) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Shareholders of the Company be and is hereby accorded to alter the Articles of Association of the Company by substitution of the following Clause in place of existing clause of the Articles of Association:

Article : 139 (ii)

“Every deed or other instrument to which seal is required to be affixed shall, unless the same is executed by a duly constituted attorney of the Company, be signed by any one Director or by the Company Secretary, if any, or by Authorised Person appointed by the Board for the purpose in whose presence it shall have been affixed.”

RESOLVED FURTHER THAT, all the documents, agreements, instruments or such other papers executed by the Company earlier and on which the Common Seal with the signature of one Director may have been affixed be and are hereby ratified as enforceable documents, agreements notwithstanding the fact that the Common Seal may not have been affixed in conformity with the article in the Articles of Association as then existing.

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary be and are hereby severally, authorized to do all such acts, deeds and things necessary to give effect to this above Resolution.”

- 13) To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

“RESOLVED THAT Mr. Ved P. Leekha (DIN: 00048568) in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature to the office of Director, and who is eligible to appointment as a Director, be and is hereby appointed as a Non-Executive Director of the Company, liable to retire by rotation.”

Notes:

- 1) The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the above Item Nos. 5 to 13 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- 3) The Register of Members and Transfer Books of the Company will be closed from Tuesday, the 16th day of July, 2019 to Saturday, the 27th day of July, 2019 (both days inclusive).
- 4) The Dividend, when sanctioned, will be paid on and from 07th August, 2019 to those shareholders whose names stand on the Company's Register of Members as holders of the shares on 27th July, 2019. The dividend in respect of shares held in the electronic form will be paid to the beneficial owners of the shares whose names are appearing in the Register of Members as Beneficial Owner; at the close of business hours on 15th July, 2019 as per the details furnished by the Depositories for this purpose. The payment of Dividend will be subject to the provisions of Section 126 of the Companies Act, 2013.
- 5) Members are requested to write/intimate to Company's Registrar and Transfer Agents changes, in their registered addresses, profile details, if any, for sending future communication(s), any query in connection with claiming the unclaimed and unpaid dividends, etc.
- 6) Documents referred to in the Notice and the explanatory statement shall be available for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 2.00 p.m. to 4.00 p.m. except holidays, upto the date of the Meeting of the Company. The Register of Directors and Key Managerial Personnel and their Shareholdings and Register of Shareholders, are available for inspection at the Registered office of the Company.
- 7) As per the provisions of the Companies Act, 2013, facility for making nominations is available to the members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
- 8) Further pursuant to Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Company needs to send the Notice, Annual Report electronically on the e-mail addresses as obtained from the Company/ Depositories/ Registrar and Share Transfer Agent to the members.

If you are holding the shares of the Company in dematerialized form and already registered your e-mail address, you would be receiving the Notices of General Meeting/Postal Ballot, Annual Report and other Shareholders communication by electronic mode.

The Members who hold shares in physical mode and have not registered their e-mail address can request the Company to receive Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode by registering their valid e-mail address with the Company / Registrar and Transfer Agents.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy Fintech Pvt. Ltd., (in case of Shares held in physical form).

- 9) Members/proxies are requested to bring the copies of annual reports at the meeting.
- 10) Voting through electronic means:

Pursuant to provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and the Companies (Management and Administration) Rules, 2016 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on all resolutions set forth in this Notice through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by Karvy Fintech Pvt. Ltd., Hyderabad appointed for the purpose by the Company as authorised agency. Remote e-voting is optional.

The detailed instructions for remote E-Voting are as under:

A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/Depositories):

- i. Open the e-mail and also open PDF file namely "PPPL E-VOTING PDF"/ "<https://www.evoting.karvy.com>" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. Open the internet browser and type the following URL: <https://www.evoting.karvy.com>.
- iii. Click on Shareholder - Login.
- iv. If you are already registered with Karvy for e-voting then you can use your existing user ID and password.
- v. If you are logging in for the first time, please enter the user ID and password provided in the e-mail as initial password.
- vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Karvy Fintech Pvt. Ltd. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once the vote on the resolution is cast, the Members shall not be allowed to change it subsequently.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail:- savitajyotiassociates05@gmail.com, with a copy marked to evoting@karvy.com.
- xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) – Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.karvy.com.

B. In case a Member receives physical copy of the Notice of AGM (for Members whose email address are not registered with the Company/ Depositories):

- i. Initial password is provided in the enclosed form: EVEN (E-voting Event Number), User ID and password.
- ii. Please follow all steps from Sl. No.(ii) to Sl. No.(xiii) above, to cast vote.

C. Other Instructions :

- i. The Remote e-voting period commences on Wednesday, the 24th July, 2019 (9.00 a.m. IST) and ends on Friday, the 26th July, 2019 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 20th July, 2019, may cast their vote electronically. The remote e-voting module shall be disabled by Karvy Fintech Pvt. Ltd. for voting thereafter. The Member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast vote again.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 20th July, 2019.
- iii. Mrs. Savita Jyoti, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three days from the conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.
- v. The results declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.pudumjee.com and on the website of Karvy - www.evoting.karvy.com and communicated to the Stock Exchanges.
- vi. Those Shareholders who do not have access to remote e-voting facility may write to Registrar and Share Transfer Agent, M/s. Karvy Fintech Pvt. Ltd. or to the Company for Ballot Paper which after filling up should reach to the Scrutinizer's, Mrs. Savita Jyoti c/o M/s. Karvy Fintech Pvt. Ltd. on or before 23rd July, 2019.

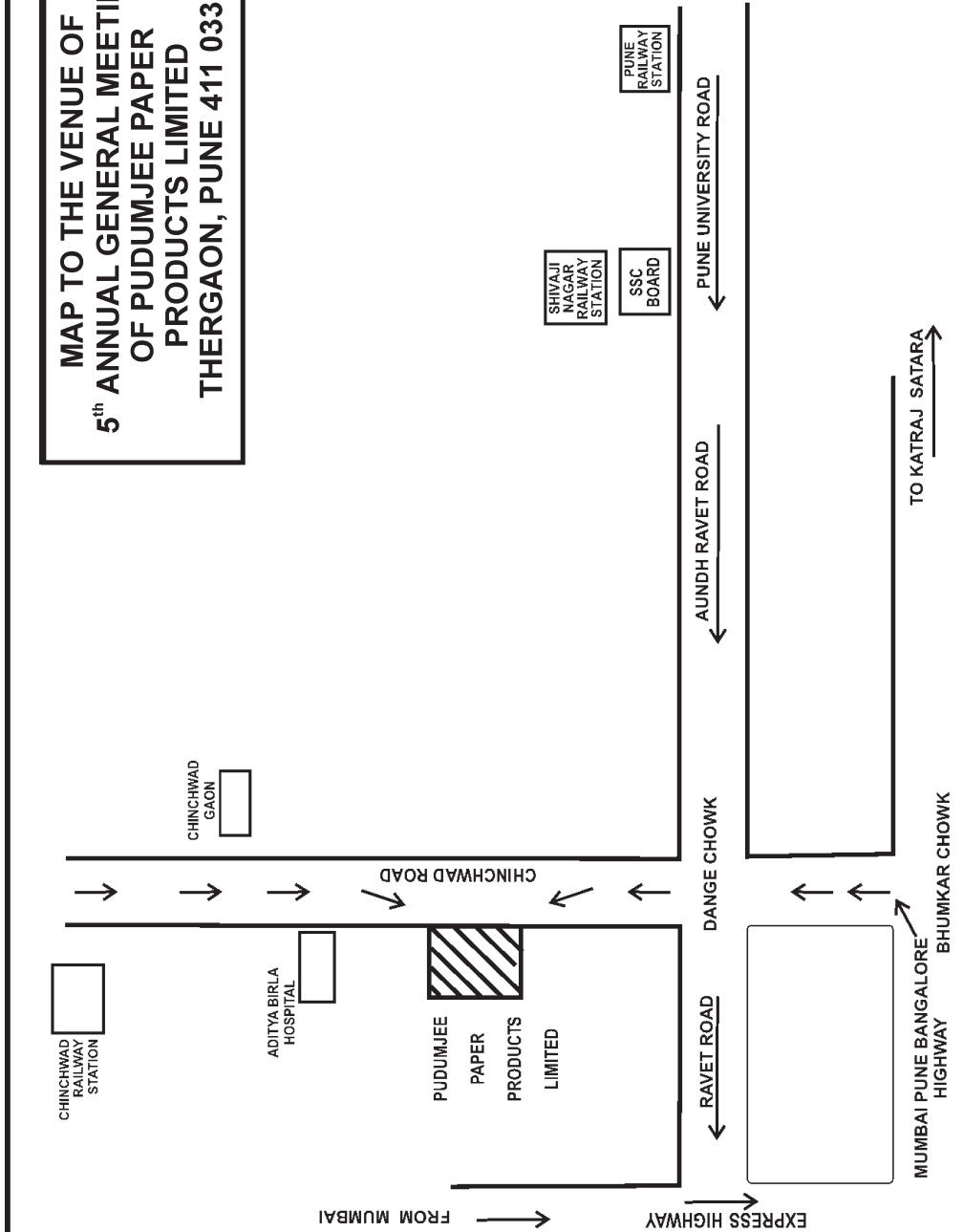
By Order of the Board,
Pudumjee Paper Products Limited,

Vinay Jadhav
Company Secretary.

Registered Office:

Thergaon, Pune-411033
Tel: +91-20-30613333
Fax: +91-20-40773388
CIN: L21098PN2015PLC153717
Web Site : www.pudumjee.com
24th May, 2019

**MAP TO THE VENUE OF
5th ANNUAL GENERAL MEETING
OF PUDUMJEE PAPER
PRODUCTS LIMITED
THERGAON, PUNE 411 033.**



ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following Explanatory Statement sets out all the material facts relating to items of business as mentioned in Item No(s). 5 to 13 under Special Business in the accompanying Notice dated 24th May, 2019 convening the Annual General Meeting.

ITEM NO. 5

The provisions of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provide that, all material related party transactions shall require approval of the Shareholders.

In compliance with the above provisions the agreements already entered into, the transactions to be continued with the parties as specified in the proposed Ordinary resolution and proposed agreements/arrangements/ contract to be entered into are placed for your approval. It may be noted that, related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited) (PPPL), 3P Land Holdings Limited (formerly known as Pudumjee Industries Limited) (3PLHL), Thacker and Company Limited (TCL), Chem Mach Private Limited (CMPL) and Pudumjee Plant Laboratories Limited (PPLL) are related parties by virtue of below mentioned criteria:

Sr. No.	Name of the Related Party	Nature of Transaction(s)	Aggregate Amount (₹)	Interested Director(s)
1	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	Purchase of Renewable Energy Certificate (REC) or payment in lieu thereof.	Aggregate Consideration not exceeding ₹ 100 Lakhs per Financial Year.	Common Directors are Mr. A. K. Jatia, Mr. S. K. Bansal and Dr. Ashok Kumar. Mr. A. K. Jatia along with his relatives holds more than 2% of paid up share capital of the Company.
		Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	
		Arrangement/Contract/Agreement for Sale of tissue papers, Napkins, Towels, etc. at Market based rates.	About ₹ 10 Lakhs for each financial year.	
		Arrangement for providing the Common Services (such as telephone, electricity, Computer etc.).	About ₹ 15 Lakhs for each financial year on cost basis.	
2	3P Land Holdings Limited (formerly known as Pudumjee Industries Limited)	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	An amount remaining outstanding during any financial year not exceed ₹ 4,000 Lakhs. Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Mr. A. K. Jatia along with his relatives holds more than 2% of paid up share capital of the Company.
		Arrangement for providing the Common Services (such as telephone, electricity, Computer etc.).	About ₹ 5 Lakhs for each financial year on cost basis	
3	Thacker and Company Limited	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	An amount remaining outstanding during any financial year not exceed ₹ 4,000 Lakhs. Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Common Directors are Mr. A. K. Jatia and Mr. S. K. Bansal. Mr. A. K. Jatia along with his relatives holds more than 2% of paid up share capital of the Company.
4	Chem Mach Private Limited	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Mr. A. K. Jatia, Common Director and his relatives holds more than 2% of paid up share capital of the Company.
5	Pudumjee Plant Laboratories Limited	Arrangement/Contract/Agreement for Accepting/Providing Inter Corporate Deposits.	Amount remaining outstanding during any financial year shall not exceed ₹ 4,000 Lakhs. Rate of Interest: Upto 10.00% p.a. but not less than 9.00% p.a.	Common Directors are Mr. A. K. Jatia and Mr. S. K. Bansal. Mr. A. K. Jatia along with his relatives holds more than 2% of paid up share capital of the Company.

Except above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed Ordinary Resolution.

The Resolution at Item No. 5 of the Notice is recommended by the Board to be passed as an Ordinary Resolution.

ITEM NO. 6

Mr. Arunkumar Mahabirprasad Jatia, is a Promoter Director and Chairman of the Company since the year 2015. It is proposed to appoint Mr. Arunkumar Mahabirprasad Jatia, as 'Whole-Time Director' designated as 'Executive Chairman' of the Company for a period of 5 years with effect from 01st August, 2018 on payment of remuneration and other benefits for period of 3 years as given in the accompanying resolution.

Mr. Arunkumar Mahabirprasad Jatia (Age-56 years) is B.S. (Finance and Business Economics from University of Southern California - USA and an Alumni of Harvard Business School) and has over 36 years experience in Business Administration and Finance and Foreign Trade. Mr. Jatia possesses natural managerial talent with progressive outlook. The Nomination and Remuneration Committee and Board of Directors at their meetings held on 21st July, 2018 has considered and recommended the appointment of Mr. Arunkumar Mahabirprasad Jatia and remuneration and other benefits payable thereto.

In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Mr. Arunkumar Mahabirprasad Jatia. Accordingly, the Board recommends the Special Resolution as set out at Item No. 6 of this Notice for approval of the members.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except Mr. Arunkumar Mahabirprasad Jatia, who together with his children hold in aggregate 42,06,950 shares of the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed Special Resolution as set out in Item No. 6 of this Notice.

ITEM NO. 7

Mr. Ved P. Leekha is associated with the Pudumjee Group since last 19 years. Mr. Leekha was last appointed as Managing Director of the Company for a period of 5 years with effect from 17th January, 2015 and the remuneration and other benefits were fixed for a period till the remainder of his term of appointment.

The Management proposes to revise his remuneration and other benefits with effect from 01st April, 2018 till the 30th April, 2019 as given in the accompanying resolution.

Mr. Ved P. Leekha is B.E. (Mechanical) has a wide and varied experience of over four decades in Paper Industry. The Nomination and Remuneration Committee and Board of Directors at their meetings held on 21st July, 2018 have approved and recommended the payment of remuneration as aforesaid.

However, Mr. Leekha has resigned from the position of Managing Director as also the Directorship of the Company with effect from 01st May, 2019, to comply with the changed provisions of law. Therefore, the approval of Shareholders is sought for the remuneration of Mr. Leekha only for a period 01st April, 2018 till 30th April, 2019 as given in the accompanying resolution.

Except Mr. Ved P. Leekha, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed Special Resolution as set out in Item No. 7 of this Notice.

The Resolution at Item No.7 of the Notice is recommended by the Directors to be passed as a Special Resolution. He is being proposed to directorship w.e.f. 27th July, 2019 as stated in Item No. 13 in this notice.

ITEM NO. 8

Dr. Ashok Kumar, is an Executive Director of the Company and was last appointed for a period of 5 years with effect from 28th May, 2016 and the remuneration and other benefits were fixed for a period till 27th May, 2019.

The Management proposes to revise his remuneration and other benefits with effect from 01st April, 2018 till the remainder of his term of appointment as given in the accompanying resolution.

Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience over three decades in the Paper Industry. He does not hold any Equity Share in the Company.

The Nomination and Remuneration Committee and Board of Directors at their meetings held on 21st July, 2018 have approved and recommended the payment of remuneration as aforesaid.

Except Dr. Ashok Kumar, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed Special Resolution as set out in Item No. 8 of this Notice.

The Resolution at Item No.8 of the Notice is recommended by the Directors to be passed as a Special Resolution.

ITEM NO. 9

The Board of Directors at their meeting held on 24th May, 2019 approved and recommended the invitation and acceptance of fixed deposits from the public in general pursuant to the Section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 to meet the working capital needs.

In compliance with the above provisions of the Companies Act, 2013 and the Rules framed thereunder the Company is required to obtain approval of its Shareholders for acceptance of Fixed Deposits from the public in general, as such, approval of the members by way of Special Resolution is being sought. It may be noted that the deposits to be accepted will be unsecured.

Pursuant to the Companies (Acceptance of Deposits) Rules, 2014 proposed "Circular or circular in the form advertisement" for Deposit Scheme will be valid until expiry of the six months from the date of closure of Financial Year in which it is issued or until the date on which the financial statements are laid before the company in Annual General Meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed Special Resolution as set out in Item No. 9 of this Notice.

The Resolution at Item No. 9 of the Notice is recommended by the Directors to be passed as a Special Resolution.

ITEM NO. 10

The Company proposes to provide guarantee, advance Inter-Corporate Deposits/Loans to Pudumjee Plant Laboratories Limited (PPLL), 3P Land Holdings Limited (formerly known as Pudumjee Industries Limited) (3PLHL), Thacker and Company Limited (TCL), AMJ Land Holdings Limited (AMJ LAND), Chem Mach Private Limited (CMPL) for the purpose of meeting their day to day working capital requirements as and when necessary and deemed fit by the Board of the Company and they are the related parties with respect to the Company by virtue of below mentioned criteria:

Name of the Company	Interested Director
Pudumjee Plant Laboratories Limited	Mr. A. K. Jatia – Common Directorship and he alongwith his relatives holds more than 2% of paid up share capital of the Company. Mr. S. K. Bansal – Common Directorship
3P Land Holdings Limited (formerly known as Pudumjee Industries Limited)	Mr. A. K. Jatia - He alongwith his relatives holds more than 2% of paid up share capital of the Company.
Thacker and Company Limited	Mr. A. K. Jatia – Common Directorship and he alongwith his relatives holds more than 2% of paid up share capital of the Company. Mr. S. K. Bansal – Common Directorship
AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	Mr. A. K. Jatia - Common Directorship and he alongwith his relatives holds more than 2% of paid share capital of the Company. Mr. S. K. Bansal - Common Directorship Dr. Ashok Kumar - Common Directorship
Chem Mach Private Limited	Mr. A. K. Jatia - Common Directorship and his relatives holds more than 2% of paid up share capital of the Company.

The provisions of Section 185 of the Companies Act, 2013, mandate that such Guarantee, Inter-Corporate Deposits/Loans can be granted if a Special Resolution at the General Meeting of the of the Shareholders is passed.

The required particulars as per proviso to (a) of Section 185(2) are given hereunder.

Name of the Company	Loans Amount/ Guarantee pro- posed to be given by the Company not exceeding of ₹	Purpose for which the Inter-Corporate Deposits// Loans / Guarantee is proposed to be utilised
Pudumjee Plant Laboratories Limited	₹ 40 Crores	To meet day to day working capital requirements of the Company.
3P Land Holdings Limited (formerly known as Pudumjee Industries Limited)	₹ 40 Crores	To meet day to day working capital requirements of the Company.
Thacker and Company Limited	₹ 40 Crores	To meet day to day working capital requirements of the Company.
AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	₹ 40 Crores	To meet day to day working capital requirements of the Company.
Chem Mach Private Limited	₹ 40 Crores	To meet day to day working capital requirements of the Company.

Except Mr. A. K. Jatia and his relative(s), Mr. S. K. Bansal and Dr. Ashok Kumar none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed Special Resolution.

The Resolution at Item No. 10 of the Notice is recommended by the Board to be passed as a Special Resolution.

ITEM NO. 11

The Company is required under Section 148 of the Companies Act, 2013, to have the audit of its cost records relating to "PAPER" conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. Narhar K. Nimkar the Cost Accountants to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Rules, 2014 at a remuneration of ₹ 2,50,000/- each for the Financial Year ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors needs to be approved by the Shareholders of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolution.

The Resolution at Item No. 11 of the Notice is recommended by the Directors to be passed as an Ordinary Resolution.

ITEM NO. 12

The existing Clause (ii) of Article 139 relating to Common Seal, of Articles of Association of the Company provides that the seal of the Company shall be affixed to any instrument in the presence of two Directors and of the secretary or other person as the Board may appoint in that regard and those two Directors and the Secretary or other person shall also sign every instrument to which the seal of the Company is so affixed in their presence.

The requirement of having two Directors and Secretary or such other person as aforesaid causes unnecessary delay and administrative inconvenience in execution of legal instruments, directly affecting operations of the Company, the Board of Directors is of the view that it would be advisable to keep only one/single person as authorized by the Board in whose presence common seal shall be affixed and who shall also sign every such instruments. In terms of Section 14 of Act, any amendment/alteration in the Articles of Association of the Company requires approval of the Shareholders of the Company by way of Special Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Special Resolution.

The Resolution at Item No. 12 of the Notice is recommended by the Directors to be passed as a Special Resolution.

ITEM NO. 13

The Company has received a notice dated 02nd May, 2019 from Mr. Arunkumar Mahabirprasad Jatia under Section 160 of the Companies Act, 2013 stating that his intention to proposed the candidature of Mr. Ved P. Leekha to the office of Director of the Company in the capacity of Non-Executive, along with the deposit of ₹ 1 Lakh.

Mr. Ved P. Leekha (Age-79 years) is B.E. (Mechanical) has a wide and varied experience of over four decades in Paper Industry and he has been associated with the Pudumjee Group since last 19 years and hold last position as Managing Director of the Company upto 30th April, 2019.

If may be noted that, the pension of ₹ 1.45 lakhs per month and an annual medical insurance premium not exceeding ₹ 6 lakhs being paid to him as per proposed Special Resolution at the 5th Annual General Meeting consequent upon his retirement w.e.f. 01st May, 2019 in contemplation of service rendered by him as Managing Director of the Company till then, is not a remuneration to him as an ordinary Non-Executive Director within the meaning of provisions of Sections 188 and 197 of the Companies Act, 2013 and Rules made thereunder, since it is and will be a binding obligation of the Company as per the terms of contract with him attributable to his previous employment with the Company.

The Company has received written consent letter from Mr. Ved P. Leekha to act as Director of the Company and declaration that he is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

Except Mr. Ved P. Leekha and his relative(s) none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, monetarily or otherwise in proposed Special Resolution as set out in Item No. 13 of this Notice.

By Order of the Board,
Pudumjee Paper Products Limited,

Vinay Jadhav
Company Secretary.

Registered Office:

Thergaon, Pune-411033
Tel: +91-20-30613333
Fax: +91-20-40773388
CIN: L21098PN2015PLC153717
Web Site : www.pudumjee.com
24th May, 2019

ANNEXURE TO AGM NOTICE

The Statement of disclosures pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings, is as under:

Name of the Director	Mr. Arunkumar Mahabirprasad Jatia	Dr. Ashok Kumar	Mr. Ved P. Leekha
DIN	01104256	07111155	00048568
Date of Birth	09.04.1963	02.02.1956	02.07.1939
Qualification	B.S. (Finance and Business Economics from University of Southern California - USA and an Alumni of Harvard Business School)	M. E. (Chemical Engineer), Ph.D. (Pulp Processing)	B.E. (Mechanical)
Brief Resume and Expertise in specific functional area of the Director	Mr. Jatia has over 36 years experience in Business Administration and Finance and Foreign Trade and possesses natural managerial talent with progressive outlook.	Dr. Ashok Kumar has wide and varied experience over three decades in the Paper Industry.	Mr. Leekha has a wide and varied experience of over four decades in Paper Industry and he is associated with the Pudumjee Group since last 19 years.
Date of first appointment in the Current Designation	14.01.2015	28.05.2016	14.01.2015 [#]
Shareholding in the Company	42,06,850	Nil	Nil
Directorships in other Companies	Listed Companies: 1.Thacker and Company Limited 2.AMJ Land Holdings Limited Unlisted Companies: 1.Pudumjee Plant Laboratories Limited 2.Pudumjee Investment and Finance Company Limited 3. Suma Commercial Private Limited 4. Chem Mach Private Limited	Listed Companies: 1.AMJ Land Holdings Limited Unlisted Companies: Nil	Listed Companies: Unlisted Companies: Nil
Memberships/ Chairmanship of Committees of Other Companies*	Listed Companies: 1. Thacker and Company Limited: a. Stakeholders Relationship Committee – Chairman 2. AMJ Land Holdings Limited: a. Stakeholders Relationship Committee – Member b. Audit Committee - Member	Listed Companies: Nil	Listed Companies: Nil
Inter-se relationship between Directors and other Key Managerial Personnel	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.	He is not related with any Director and Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during the financial year 2018-19	4	3	4
Details of remuneration last drawn during the financial year 2018-19	₹ 1,16,19,921/- ^{&}	₹ 1,09,14,465/-	₹ 1,21,79,507/-

[#] resigned w.e.f. 01.05.2019

[&] w.e.f. 01.08.2018

* Committees considered are Audit and Stakeholders Relationship Committee.

Information pursuant to the requirements of paragraph (B) (iv) of Section II of Schedule V to the Companies Act, 2013 concerning remuneration payable to Messrs. Arunkumar Mahabirprasad Jatia, Ved P. Leekha, Managing Director and Dr. Ashok Kumar, Executive Director is furnished herein below:

I. GENERAL INFORMATION:			
Nature of Industry	Paper Manufacturing		
Date or expected date of commencement of commercial production	February, 2016		
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
Financial performance based on given indicators	Year ending 31 st March, 2019 (₹ in Lakhs),		
	Effective Capital	₹ 13,587.17	
	Turnover	₹ 58,952.13	
	Profit Before Tax	₹ 2,562.07	
	Profit after Tax	₹ 1,674.24	
	Dividend	10%	
	Reserves (excluding revaluation reserve)	₹ 6,913.89	
Foreign investments or collaborators, if any.	Not Applicable		
II. INFORMATION ABOUT THE APPOINTEE:			
Name of the Appointee	Mr. Arunkumar Mahabirprasad Jatia	Mr. Ved P. Leekha	Dr. Ashok Kumar
Background details	Mr. Arunkumar Mahabirprasad Jatia, is a Promoter Director and Chairman of the Company since the year 2015. He is appointed as 'Whole-Time Director' designated as 'Executive Chairman' of the Company with effect from 01 st August, 2018. Mr. Jatia is B.S. (Finance and Business Economics from University of Southern California - USA and an Alumni of Harvard Business School) and has over 36 years experience in Business Administration and Finance and Foreign Trade.	Mr. Ved P. Leekha, Managing Director, is associated with the Pudumjee Group since last 19 years.Mr. Leekha is a B.E.(Mechanical) and has wide and varied experience of over four decades in Paper Industry.	Dr. Ashok Kumar is M.E. (Chemical Engineer) and Ph.D. (Pulp Processing) and has wide and varied experience over three decades in the Paper Industry.

Information pursuant to the requirements of paragraph (B) (iv) of Section II of Schedule V to the Companies Act, 2013 concerning remuneration payable to Messrs. Arunkumar Mahabirprasad Jatia, Ved P. Leekha, Managing Director and Dr. Ashok Kumar, Executive Director is furnished herein below: (Contd..)

Past remuneration	Not Applicable (Appointed as Whole-Time Director & Executive Chairman with effect from 01 st August, 2018)	Remuneration at the rate of ₹ 6,03,000/- per month (including Dearness Allowance). Break up per month: Remuneration ₹ 6,03,000/-+ House Rent Allowance ₹ 50,000/- + Perquisites ₹ 85,252.33/- (i.e., total yearly remuneration ₹ 88,59,028/-).	Remuneration at the rate of ₹ 5,20,000/- per month (including Dearness Allowance). Break up per month: Remuneration ₹ 5,20,000/-+ House Rent Allowance ₹ 1,65,000/-+ Perquisites ₹ 1,29,044.75/- (i.e., total yearly remuneration ₹ 97,68,537/-).
Recognition or awards	NIL	NIL	NIL
Job profile and his suitability	As a Director of the Company since 2015, Mr. Jatia has had a vast and wide experience of business administration and finance and foreign trade for over 36 years and is a promoter Director. He is responsible for overall day to day operations of the Company under the supervision, control and guidance of the Board of Directors of the Company.	As a Managing Director, Mr. Leekha, would be subject to supervision and control of the Executive Chairman and the Board of Directors, in overall charge of the Company's activities and in particular attend to all matters concerning production planning, manufacture, marketing and administration and shall perform such other duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board of Directors and the Executive Chairman of the Company. Mr. Leekha has a wide and varied experience of over four decades in Paper Industry in various positions. He has successfully carried out many capital expenditure programmes in the Company and in the Industry.	He is responsible for overall day to day operations of the Company under the supervision and control of the Executive Chairman and Board of Directors of the Company.
Remuneration proposed	<ul style="list-style-type: none"> Remuneration at the rate of ₹ 10,05,000/- per month including Dearness Allowance and Rent free furnished residential accommodation, the Company paying or reimbursing all rents, rates, taxes and other expenses for the upkeep and maintenance of his residential accommodation. Mr. Jatia is entitled to perquisites such as gas, electricity, medical expenses, furnishings, LTA, club fees, personal accident insurance, telephone, cars etc., estimated perquisites say ₹ 3,00,000/- per month (i.e. total yearly perquisites ₹ 36,00,000/-). He is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity. 	<ul style="list-style-type: none"> Remuneration at the rate of ₹ 6,45,000/- per month including Dearness Allowance and Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 2,30,000/- per month. Mr. Leekha is also entitled to the benefits of contribution to Provident Fund/Pension, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishing, LTA, club fees, personal accident insurance, telephone, cars etc. 	<ul style="list-style-type: none"> Remuneration at the rate of ₹ 5,82,000/- per month including Dearness Allowance and Rent free furnished residential accommodation or an allowance in lieu thereof at the rate of ₹ 1,85,000/- per month. Dr. Ashok Kumar is also entitled to the benefits of contribution to Provident Fund/Superannuation Scheme, Gratuity, and perquisites such as gas, electricity, medical expenses, furnishing, LTA, club fees, personal accident insurance, telephone, cars etc.

Information pursuant to the requirements of paragraph (B) (iv) of Section II of Schedule V to the Companies Act, 2013 concerning remuneration payable to Messrs. Arunkumar Mahabirprasad Jatia, Ved P. Leekha, Managing Director and Dr. Ashok Kumar, Executive Director is furnished herein below: (Contd..)

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.	Whilst there exists no such comparison in terms of Company's size and nature of its operations, the remuneration proposed is in line with the remuneration of similar occupants in some of the Companies in the Industry and general trend in this regard.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	NIL	NIL	NIL
III. Other information:			
Reasons of loss or inadequate profits	The Company was incorporated on 14 th January, 2015 as special purpose vehicle for the Scheme of Arrangement and Reconstruction (Demerger). The Company may have inadequate profit for payment of managerial remuneration owing to competitive pressure. The prevailing economic conditions of slow down and global competition in specialty segment of Paper may be putting considerable pressure on profitability.		
Steps taken or proposed to be taken for improvement	The managements emphasis on cost reduction, appropriate product mix and quality improvement are expected in the long run to neutralize any inadequacy of profits.		
Expected increase in productivity and profits in measurable terms.	With the aforesaid efforts and consequent better capacity utilization, the profits are targeted to be achieved to be adequate for managerial remuneration.		
IV. Disclosures:	As indicated above Under II "INFORMATION ABOUT THE APPOINTEE."		

Except for Mr. Arunkumar Mahabirprasad Jatia, Mr. Ved P. Leekha and Dr. Ashok Kumar and with their respective shareholding, if any and their relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise in the proposed Resolutions.

By Order of the Board,
Pudumjee Paper Products Limited,

Vinay Jadhav
Company Secretary.

Registered Office:
Thergaon, Pune-411033
Tel: +91-20-30613333
Fax: +91-20-40773388
CIN: L21098PN2015PLC153717
Web Site : www.pudumjee.com
24th May, 2019

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 5th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2019. The accounts are prepared in accordance with the Companies (Indian Accounting Standards) Rule, 2015 (IND AS) prescribed under Section 133 of the Companies Act, 2013.

FINANCIAL RESULTS :

	2018-2019	2017-18
	(₹ in Lakhs)	(₹ in Lakhs)
The Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	4,082.88	4,568.43
Less :		
i) Finance cost	795.74	903.87
ii) Depreciation/Impairment	725.07	660.70
The net profit before Tax	2,562.07	3,003.86
Less :		
Provision for Current Tax	551.00	573.54
Provision/(Saving) for Deferred Taxation	336.83	515.62
Net Profit After Tax	1,674.24	1,914.70
Add :		
Other Comprehensive Income/(Expense) (Net of Tax)	37.55	36.63
The balance of Profit brought forward from last year	4,678.80	3,098.89
Total	6,390.59	5,050.22
Less :		
Dividend Paid on Equity Shares	142.43	142.43
Tax Paid on Dividend	29.27	28.99
Transfer to General Reserve	200.00	200.00
Total	371.70	371.42
Balance proposed to be carried forward to next year's accounts	6,018.89	4,678.80

DIVIDEND :

The Board of Directors recommends the payment of Dividend for the year ended 31st March, 2019 at the rate of ₹ 0.15 per share. If approved, the Equity Dividend shall be paid, subject to the provisions of section 126 of the Companies Act, 2013 to those Shareholders whose names stand on the Register of Members on 27th July, 2019.

The Dividend in respect of shares held in electronic form, will be paid to all those beneficial owners of the shares as per the details furnished by depositories for the purpose at the close of business hours on 15th July, 2019.

OPERATIONS :

The Directors are pleased to report that the Company's operations have shown healthy growth in output during the year. Successful completion and performance of the Project of "Full width Supercalender", have given the planned contribution. Besides, contribution from "Paper Machine" and "Boiler rebuild" overall operational improvement and judicious fiber management have also contributed to growth in output and cost reduction.

On the other hand, worldwide Market Pulp availability during the year remained tight pushing up the pulp prices by about ₹ 1,000 - 12,000/- per M.T. This happened apparently due to changes in the policy in China restricting import of Waste Paper thus increasing demand of Market Pulp. Its impact through increase in our product prices could not be fully neutralized. Therefore, despite the increased output of paper, total contribution and profits were adversely affected. By the end of the year, the situation seems to be heading towards normal. Energy costs remained in control, however, we experienced headwinds against our plans to maximise power purchase under Open Access route. The earlier arrangement made under "Group Captive Scheme" with a Thermal Power Plant is suspended pending objections raised by the State Power Distribution Company, resulting in increased unit cost of power. To neutralize some of the increased cost, the Company has already invested under 'Group Captive Scheme', into 4900 KW Solar Power Plant with power supply started since March 2019 and further efforts are being made to source renewable Wind Power subject to clearance from the State power Distribution Company.

The Coater Project installation is under progress to be ready for operations during second quarter of 2019-20 thus enabling the Company to enter into "Functionally Coated" Paper business for food baking / packaging applications.

The Hygiene Products Division has shown growth in business commensurate with continuing benefit accruing under the GST regime for price competitiveness.

The Company's turnover having an overall growth of 16% due to increased Sales volume and price increase which could partly absorb the escalating Global Market pulp prices thus reducing EBITDA by 10.6% & Profit by 12.3%. By the year end, softening trend in pulp prices and judicious steps taken to optimise furnish mix by substituting partly with high quality recycled fiber are, barring unforeseen circumstances, expected to improve the profitability.

FIXED DEPOSITS :

As informed to you earlier, pursuant to the Scheme of Arrangement and Reconstruction (Demerger) as sanctioned by the Hon'ble Bombay High Court, the "Fixed Deposits Liability" was transferred from Pudumjee Pulp & Paper Mills Limited to the Company. Your Company holds fixed deposits accepted from Public with effect from the effective date of the scheme i.e. 1st February, 2016.

With effect from 05th July, 2017 the Company has started to accept fresh/renewal of fixed deposits from the public and as on 31st March, 2019 stood at ₹ 2,863.27 Lakhs as against ₹ 3,463.24 Lakhs at the end of the previous year (i.e. Fixed Deposit Liability).

During the year, the Company has accepted/renewed such deposits aggregating to ₹ 1,844.25 Lakhs, and all the deposits falling due for repayment during the year were fully repaid on maturity except unclaimed deposits numbering 66 with an amount of ₹ 32.32 Lakhs as at the end of the year.

There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits as at the year end and there have been no default in repayment of deposits or payment of interest thereon. There are no deposits which are not in compliance with the requirements of Chapter V of the Act read with Companies (Acceptance of Deposits) Rules 2014.

AUDITORS :**i. STATUTORY AUDITORS :**

M/s. J. M. Agrawal & Co., Chartered Accountants, have been appointed as Statutory Auditors of the Company at the 3rd Annual General Meeting to hold office up to the conclusion of 8th Annual General Meeting. M/s. J. M. Agrawal & Co., have given their consent to act as the Auditors of the Company till conclusion of 8th Annual General Meeting. The Company has received a Certificate from M/s. J. M. Agrawal & Co., to the effect that their appointment, would be within the prescribed limits under section 141 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for appointment. The Shareholders will be required to ratify the appointment of the auditors and fix their remuneration at the ensuing Annual General Meeting.

There is no adverse remark or qualification in the Statutory Auditor's Report annexed elsewhere in this Annual Report.

The Auditors have reported that there is no fraud on or by the Company noticed or reported during the year.

ii. SECRETARIAL AUDITOR:

Pursuant to provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the Board has appointed Mr. I. U. Thakur, Company Secretary, Pune to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year 2018-19 is annexed hereto as Annexure-1.

There is no adverse remark or qualification in the Secretarial Audit Report.

The Company has complied with the applicable Secretarial Standards during the year issued by the Institute of Company Secretaries of India.

iii. COST AUDITOR

Pursuant to provisions of Section 148 of the Companies Act, 2013, the Board has appointed Mr. Narhar K. Nimkar (Membership No. F-6493), Cost Accountants in Practice, Pune to conduct the audit of the Cost Records of the Company relating to "PAPER" for the Financial Year 2018-19. As required under the Companies Act, 2013, a resolution seeking Shareholders approval for the remuneration payable to the Cost Auditors forms part of Notice convening the 5th Annual General Meeting of the Company.

DETAILS OF APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) :

During the year under review, the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee at its meeting held on 21st July, 2018 has appointed Mr. Arunkumar Mahabirprasad Jatia, as Whole-time Director designated as "Executive Chairman" of the Company for a period of 5 years effective from 01st August, 2018, liable to retire by rotation, subject to the approval of Shareholders.

Further, Mr. Ved P. Leekha (Age-79 years) resigned from the position of Managing Director as also the Directorship of the Company with effect from 01st May, 2019, to comply with the changed provisions of law. The Board places on record its appreciation for the services, guidance and contributions rendered by Mr. Ved P. Leekha during his tenure as Managing Director with the Company.

In terms of provisions of the Companies Act, 2013, Dr. Ashok Kumar, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the applicable provisions of the Companies Act, 2013 and applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also confirming that they are not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

MEETINGS:

During the year 4 Board Meetings and 4 Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report, and forms part of this Annual Report. The intervening gap between the Meetings was within permissible period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As required under the provisions of the Companies Act, 2013, the Board of Directors has constituted the Corporate Social Responsibility Committee. The major role of this Committee is to formulate, recommend, implement and monitor the CSR policy and activities to be undertaken by the Company to meet/contribute towards its corporate social responsibility objectives. The Board of Directors at its meeting held on 20th May, 2017 has constituted its CSR Committee. Some of the activities which will be undertaken by the Company itself or through an eligible trust are as under;

- a) Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for underprivileged people,
- b) Environmental Protection,
- c) Education and
- d) Development of Rural Infrastructure.

The CSR committee comprises of the following members:

Sr. No.	Name of the Director	Category	Designation
1	Mr. Nandan Damani	Non-Executive, Independent Director	Chairman
2	Mr. Vinod Kumar Beswal	Non-Executive, Independent Director	Member
3	Mr. Basant Kumar Khaitan	Non-Executive, Independent Director	Member
4	Mr. Surendra Kumar Bansal	Non-Executive, Non Independent Director	Member

The CSR Policy is also uploaded on the website of the Company viz: www.pudumjee.com.

During the year, the Company has allocated and disbursed total ₹ 55 Lakhs to M/s. M. P. Jatia, Charitable Trust to be spent on below mentioned the purposes:

- Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for underprivileged people ;
- Environmental Protection;
- Education and
- Development of Rural Infrastructure

The other relevant disclosures as stipulated under the Companies (Corporate Social Responsibility Policy) Rules, 2014 are given in Annexure-2.

The entire allocated amount was deposited / transferred with M/s. M. P. Jatia, Charitable Trust.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose are provided in Annexure-3 to this Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

A policy on Related Party Transactions has been adopted by the Board of Directors at its meeting held on 14th November, 2015 for determining the materiality of transactions with related parties and dealings with them. The said policy is available at the Company's website at www.pudumjee.com. The Audit Committee reviews all related party transactions quarterly and also as and when felt necessary.

Pursuant to Section 134(3), 188(1) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 the particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 in Form AOC -2 are provided as Annexure-4.

ANNUAL EVALUATION OF PERFORMANCE OF BOARD OF DIRECTOR(S) AND COMMITTEE(S) :

As required under Companies Act, 2013, a meeting of the Independent Directors was held on 24th January, 2019 to evaluate the performance of the Non-Independent Directors, wherein the evaluation of performance of the Non-Independent Directors, including the Chairman and also of the Board as a whole was made, against pre-defined and identified criteria.

The criteria for evaluation of the performance of the Independent Directors, Chairman and the Board, was finalized by the Nomination and Remuneration Committee in its meeting held on 22nd January, 2016, the said committee has carried out evaluation of the performance of every Director. The said criteria is available at the Company's website at www.pudumjee.com. The Board of Directors at their meeting held on 24th January, 2019 has evaluated the performance of Independent Directors. The Performance of the Committee was also generally discussed and evaluated.

While evaluating, the principles and guidelines issued vide circular no. SEBI/HO/CFD/CMD/CIR/P/2017/004 of Securities Exchange Board of India dated 5th January, 2017 on Board Evaluation have been taken into account.

FAMILIARISATION PROGRAMME:

The details of programmes for familiarisation of Independent Directors with the Company is available at the Company's website at www.pudumjee.com.

RISK MANAGEMENT POLICY:

In accordance with the requirements of the Act, the Company has adopted and implemented a Risk Management Policy for identifying risks to the Company, procedures to inform Board members about the risk assessment and minimization procedures, monitoring the risk management plan, etc.

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM:

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for Directors and Employees to report their genuine concerns.

Pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy “Vigil Mechanism/Whistle Blower Policy”, wherein the Employees/Directors/Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company’s Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. During the year under review, the Company has not received any complaint under the said mechanism. The said policy is available at the Company’s website at www.pudumjee.com.

PARTICULARS OF EMPLOYEES:

As required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the statement giving required details is given in the Annexure-5 and 5A to this report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

An Internal Complaints Committee (‘Sexual Harassment Committee’) has been constituted, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, to deal with the complaints, if any, from the Company and other Companies in the Pudumjee Group.

There was no complaint reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange earnings & outgo is annexed as Annexure-6 and forms part of this Report.

REPORT ON CORPORATE GOVERNANCE:

Your Company’s philosophy on Corporate Governance, sets the goal of achieving the highest level of transparency with integrity in all its dealings with its Stakeholders including Shareholders, Employees, Lenders and Others. A report on Corporate Governance along with a Certificate from the practicing Company Secretary regarding the Compliance of Conditions of Corporate Governance as stipulated under the Listing Regulations forms part of the Annual Report as Annexure-7.

EXTRACT OF ANNUAL RETURN:

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2019 is annexed herewith as Annexure-8 to this report.

The extract of the Annual Return of the Company can also be accessed on the Company’s website at www.pudumjee.com.

REMUNERATION POLICY:

In accordance with the provisions of Section 178 and other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated remuneration policy which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors. The said policy may be referred to, at the Company’s website i.e., www.pudumjee.com and is annexed hereto and marked as Annexure-9.

SIGNIFICANT AND MATERIAL ORDERS:

There is no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis; and
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS:

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Bankers, Customers, Vendors and Investors of the Company for their continued support during the year.

The Directors also wish to place on record their deep sense of appreciation for the dedication and contribution made by employees at all levels and look forward to their support in future as well.

On Behalf of the Board of Directors,

Place : Mumbai

Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

ANNEXURE - 1**Form No. MR-3****SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]**

To,
The Members,
PUDUMJEE PAPER PRODUCTS LIMITED
Pune

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **PUDUMJEE PAPER PRODUCTS LIMITED** (CIN: L21098PN2015PLC153717) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 – **Not applicable** to the Company during the Audit Period;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – **Not applicable** to the Company during the Audit Period;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not applicable** to the Company during the Audit Period;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable** to the Company during the Audit Period;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not applicable** to the Company during the Audit Period;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable** to the Company during the Audit Period.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. On the basis of the information provided by the Company, following laws are also complied with:

A) ENVIRONMENTAL LAWS:

- 1. The Air (Prevention and Control of Pollution) Act, 1981 & The Air (Prevention and Control of Pollution) Rules, 1982.
- 2. The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Rules, 1975.
- 3. The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

B) LABOUR LAWS:

- 1. The Factories Act, 1948
- 2. The Minimum Wages Act, 1948
- 3. The Payment of Wages Act, 1936
- 4. The Employees Provident Fund and Miscellaneous Provisions Act, 1956 and the schemes made thereunder
- 5. The Payment of Bonus Act, 1965
- 6. The Payment of Gratuity Act, 1972

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, decisions at Board Meeting were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Signature:

I. U. THAKUR

PRACTICING COMPANY SECRETARY

Place : Pune

Date : 17th May, 2019

FCS:2298

C.P. No:1402

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

ANNEXURE 'A'

To,

The Members,
Pudumjee Paper Products Limited
Pune

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:

I. U. THAKUR

PRACTICING COMPANY SECRETARY

Place : Pune

Date : 17th May, 2019

FCS:2298

C.P. No:1402

ANNEXURE - 2

THE ANNUAL REPORT ON CSR ACTIVITIES

1) A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>The Company believes in the CSR activities through collaboration. The Company would always like to help the entities that are in the area of social service. The entities could be Trusts which have established track record in the activities like M/s. M. P. Jatia Charitable Trust, Mumbai which has an established track record of social service.</p> <p>The CSR activities to be carried out by the Company through an eligible trust are as under;</p> <p>a) Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for under privileged people;</p> <p>b) Environmental Protection;</p> <p>c) Education and</p> <p>d) Development of Rural Infrastructure.</p> <p>Website: www.pudumjee.com</p>			
2) The Composition of the CSR Committee	Sr. No.	Name of the Director	Category	Designation
	1	Mr. Nandan Damani	Non-Executive Independent Director	Chairman
	2	Mr. Vinod Kumar Beswal	Non-Executive Independent Director	Member
	3	Mr. Basant Kumar Khaitan	Non-Executive Independent Director	Member
	4	Mr. Surendra Kumar Bansal	Non-Executive Non Independent Director	Member
3) Average net profit of the Company for last three financial years	₹ 2,438.38 Lakhs			
4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	₹ 48.77 Lakhs (as per Section 135 (5) of Companies Act, 2013) ₹ 50 Lakhs (Budgeted)			
5) Details of CSR spent during the financial year	<p>The Company has made payment for CSR activities to M/s. M. P. Jatia Charitable Trust towards Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for under privileged people, Environmental Protection, Education and Development of Rural Infrastructure in village Bissau, District Jhunjhunu, Rajasthan.</p>			
• Total amount to be spent for the financial year	₹ 55 Lakhs (₹ 50 Lakhs for Financial Year 2018-19 & ₹ 5 Lakhs for Financial Year 2017-18)			
• Amount unspent, if any	Nil			
• Manner in which the amount spent during the financial year	CSR Activities as stated below			

Sr.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and projects or programs was undertaken	Amount Outlay (budget) Project or program wise (in INR)	Amount spent on the programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads: (in INR)	Cumulative Expenditure upto to the Reporting period (in INR)	Amount spent Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				F.Y. 2018-19	F.Y. 2018-19		
1	Setting up and/or maintaining old age homes/orphanage and supplementing nutrition and other essentials for under-privileged people	_____	1) Bissau, Jhunjhunu district, Rajasthan	55,00,000	55,00,000	55,00,000	M/s. M. P. Jatia Charitable Trust having established track record
2	Environmental Protection	_____	1) Bissau, Jhunjhunu district, Rajasthan				
3	Education	Promoting Education	1) Bissau, Jhunjhunu district, Rajasthan				
4	Development of Rural Infrastructure	_____	1) Bissau, Jhunjhunu district, Rajasthan				
	TOTAL			55,00,000	55,00,000	55,00,000	-----

Details of implementing agency – M/s. M. P. Jatia Charitable Trust [Registration No. E13158(M)].

The CSR committee has adopted CSR policy in the month of September, 2017.

Notes:

- For F.Y. 2018-19 - The amount of ₹ 55 Lakhs was paid to M/s. M. P. Jatia Charitable Trust, however the aforementioned trust was not able to spend the full amount on specified CSR activities during the year due to paucity of sufficient time and would spend subsequently.
- The CSR Committee confirms that, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Surendra Kumar Bansal
Director

Nandan Damani
Chairman of CSR Committee

Place: Mumbai
Date : 24th May, 2019

ANNEXURE - 3**Particulars of loans given, guarantees/ investments made during the Financial Year 2018-19**

Nature of transaction (whether loan/ guarantee/ security/ acquisition)	Name of the person or body corporate to whom it is made or given or whose securities have been acquired	Amount of loan /security/ acquisition /guarantee (in ₹)	Rate of interest For loans p.a.	For acquisitions			
				Number and kind of securities	Natue of Securities	Cost of acquisition If any (In ₹ Per Share/ Units)	Selling price, Per Unit If any (In ₹ Per Share/ Units)
ICD's Given (Loan)	Ramgopal Textiles Limited	3,00,00,000	14%	N.A.	N.A.	N.A.	N.A.
		(0)					
Investments Made	Reliance Liquid Fund Treasury Plan	1,70,83,05,591	-	-	Mutual Fund Units	-	-
		(9,07,77,414)	-	-		-	-
	ICICI Pridental Liquid Fund	12,58,89,883	-	-	Mutual Fund Units	-	-
		(0)	-	-		-	-
	L&T Mutual Fund - Pool Collection	43,75,23,983	-	-	Mutual Fund Units	-	-
		(8,09,77,307)	-	-		-	-
	SBI Magnum Insta Cash Fund	8,81,592	-	-	Mutual Fund Units	-	-
		(0)	-	-		-	-
	L & T Arbitrage Opportunities Fund	5,02,14,364	-	-	Mutual Fund Units	-	-
		(5,02,14,364)	-	-		-	-

Figures in bracket indicate balances as on 31st March, 2019

On Behalf of the Board of Directors,

Place : Mumbai
Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

ANNEXURE - 4

Particulars of Contracts or Arrangements with Related Parties (FORM AOC-2)

(Pursuant to clause (h) of Section 134(3) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

I.

a)	Name(s) of the related parties and nature of relationships	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited) , a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Arrangements for providing the Common Services (such as telephone, electricity, Computer etc.) at cost basis.
c)	Duration of the Contracts/arrangements/ transactions	Continuous arrangement.
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value: About ₹ 15 lakhs for each financial year. 2) Nature, material terms and particulars of arrangement: To provide Common Services (such as telephone, electricity, computer, etc.) on cost basis.
e)	Justification for entering into such contracts or arrangements or transactions	To provide common services to AMJ Land Holdings Limited in mutual interest, for continuance of the day to day commercial operations of the AMJ Land Holdings Limited.
f)	Date(s) of approval by the Board	24 th May, 2019
g)	Amount paid as advances if any	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	The approval of Shareholders will be obtained in the 5 th Annual General Meeting of the Company to be held on 27 th July, 2019.

II.

a)	Name(s) of the related parties and nature of relationships	3P Land Holdings Limited (formerly known as Pudumjee Industries Limited) , a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Arrangements for providing the Common Services (such as telephone, electricity, Computer etc.) at cost basis.
c)	Duration of the Contracts/arrangements/ transactions	Continuous arrangement.
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value : About ₹ 5 Lakhs for each financial year. 2) Nature, material terms and particulars of arrangement: To provide Common Services (such as telephone, electricity, computer, etc.) on cost basis.
e)	Justification for entering into such contracts or arrangements or transactions	To provide common services to the 3P Land Holdings Limited in mutual interest, for continuance of the day to day commercial operations of the 3P Land Holdings Limited.
f)	Date(s) of approval by the Board	24 th May, 2019
g)	Amount paid as advances if any	NIL
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	The approval of Shareholders will be obtained in the 5 th Annual General Meeting of the Company to be held on 27 th July, 2019.

2.DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH**BASIS:****I.**

a)	Name(s) of the related parties and nature of relationships	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited) , a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Sale of tissue papers, Napkins, Towels, etc. at Market based rates
c)	Duration of the Contracts/arrangements/transactions	Continuous arrangement.
d)	Salient terms of contracts or arrangements or transactions including the value if any	Monetary value : About ₹ 10 Lakhs in financial year 2019-20.
e)	Date(s) of approval by the Board	24 th May, 2019
f)	Amount paid as advances if any	NIL

II.

a)	Name(s) of the related parties and nature of relationships	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited) , a related party under Section 2(76)(v).
b)	Nature of contracts/arrangements/transaction	Purchase of Renewable Energy Certificate or payment in lieu thereof at the prevailing market price govern by the exchange.
c)	Duration of the Contracts/arrangements/transactions	Continuous arrangement.
d)	Salient terms of contracts or arrangements or transactions including the value if any	1) Monetary value : About ₹ 100 Lakhs in financial year 2019-20.
e)	Date(s) of approval by the Board	24 th May, 2019
f)	Amount paid as advances if any	NIL

On Behalf of the Board of Directors,

Place : Mumbai
Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

ANNEXURE - 5

Information as per Section 197 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019.

Name & Age (Years)	Designa- tion/ Nature of Duties	Remuneration		Qualifica- tion & Experi- ence (Years)	Date of com- mencement of employ- ment	Last employed	
		Gross ₹	Net ₹			Name of the organisation	Position held
Mr. Arunkumar Mahabirprasad Jatia (56)	Executive Chairman (w.e.f. 01.08.2018)	1,16,19,921	76,75,247	B.S. (Finance & Business Economics) (36)	01.08.2018	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	Executive Chairman (upto 31.07.2018)
Mr. Ved-Prakash Leekha (79)	Managing Director	1,21,79,507	86,54,342	B.E. (Mechanical) (56)	07.03.2000*	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	Managing Director
Dr. Ashok Kumar (63)	Executive Director	1,09,14,465	78,16,606	M.E. (Chemical) Ph.D (39)	06.02.2015*	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	Director

Notes-

- Gross remuneration as shown above includes salary, bonus, Company's contribution to Provident fund and Value of medical and other facilities but excludes provision for gratuity. Net remuneration is arrived at after deduction of Income Tax.
- The nature and conditions of employment are non contractual. The employees were whole-time Directors of the Company during the year.
- There is no employee drawing remuneration in excess of the remuneration drawn by the Managing Director/ Whole time Director and who holds himself or along with his/her spouse and dependent children not less than two per cent of the equity shares of the Company.
- *With AMJ Land Holdings Limited (before Demerger).
- Mr. Arunkumar Mahabirprasad Jatia, was appointed as 'Whole-Time Director' designated as 'Executive Chairman' of the Company w.e.f. 01.08.2018 and owing to this he ceased to be a Whole-Time Director of AMJ Land Holdings Limited w.e.f. 01.08.2018 and has not drawn any remuneration from them w.e.f. 01.08.2018 and that his services along with all the benefits of his accumulated balances/contributions in Provided Fund and Superannuation Fund and accumulated services with the AMJ Land Holdings Limited has been transferred to his account in the Company.
- None of the above employees is related to each other.

On Behalf of the Board of Directors,

Place : Mumbai
Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

ANNEXURE - 5A
STATEMENT SHOWING THE RATIO OF THE REMUNERATION OF EACH DIRECTOR TO THE MEDIAN
EMPLOYEE'S REMUNERATION AND SUCH OTHER DETAILS

NUMBER OF PERMANENT EMPLOYEES OF THE COMPANY : 612

Sr. No.	Name of the director Chief Financial Officer, Company Secretary	Designation	Remuneration of each director Chief Financial Officer, Chief Executive Officer, Company Secretary (in INR)	Median remuneration of the employees (in INR)	Ratio for the financial year between D and E	Percentage increase in remuneration of each Director, Chief Financial Officer, Executive Officer, Company Secretary in the financial year	Percentage increase in the remuneration of employees in the financial year	Average percentile increase already made in the salaries of employees other than the managerial personnel	Percentile increase in the managerial remuneration
A	B	C	D	E	F	G	H	I	J
1	Mr. Arunkumar Mahabirprasad Jatia	Executive Chairman ^{\$}	1,16,19,921	5,13,606	22.62	Nil	27.97	27.97	Nil
2	Mr. Ved Prakash Leekha	Managing Director	1,21,79,507		23.71	37.48			17.65
3	Dr. Ashok Kumar	Executive Director	1,09,14,465		21.25	11.73			
4	Mr. H. P. Birla	Chief Financial Officer	43,10,357		8.39	56.60			Nil
5	Mr. Vinay Jadhav	Company Secretary	11,27,889		2.20	11.60			Nil

^{\$} Appointed as 'Executive Chairman' w.e.f. 01.08.2018.

Above Remuneration is as per the Remuneration policy adopted by the Company.

On Behalf of the Board of Directors,

Place: Mumbai
Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

ANNEXURE - 6

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2019.

A. CONSERVATION OF ENERGY:

i) Steps taken for utilizing alternate sources of energy:

- Procured 34.31 KWH Lakhs wind Power equivalent to 3.84% of total power requirement.
- Drawing 7 KWH Lakhs power from Solar Power Plant during the year.

ii) Impact of measures taken:

Reduction in power consumption by using LED Lights. Use of indigenously developed kneader rotor contributed to reduction in power losses and increase in quality, securing maximum power factor. Impact of measures taken above may result in significant savings in power cost.

iii) Capital Investment on energy conservation equipments:

Energy conservation is being implemented through the installation of energy saving devices such as super calendar. The paper making machine are being rebuild to improve quality and increase in production capacity. Boiler upgradation done to improve steam generating capacity.

B. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

i)	Efforts made in brief towards Technology absorption, adaptation and Innovation	(a) Installation of Johnson Screen laterals in One Pressure quartz filter of ETP. (b) Installation of Hybrid Filters, Installation of APFC system at paper making Machine, ETP and Utility, Implementation of Centralised Dynamic Compensation. (c) Rewinder Upgradations.
ii)	Benefits derived as a result of the above results	(a) Uniform water quality without plastic pieces, Increase of productivity of machines. (b) Total harmonic Compliance, Securing Maximum Power factor, getting maximum power factor incentive. (c) Speed and quality improved at Paper Making Machines
iii)	Details of Imported Technology:	
	a) Details of Technology Imported:	(a) Installation of Dryer screen Auto guide units. (b) In Paper Machine felt uhle box UHMWPE sealing strip replaced by Ceramic of Bakony of Hungary.
	b) The year of import:	2018-19
	c) Whether the technology been fully absorbed:	Yes
iv)	Expenditure incurred on Research and Development	₹ 168.03 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earned and used were ₹ 1,937.90 Lakhs and ₹ 29,027.91 Lakhs respectively.

On Behalf of the Board of Directors,

Place: Mumbai
Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

ANNEXURE - 7

REPORT ON CORPORATE GOVERNANCE

The Directors present their Report on Corporate Governance as required by SEBI guidelines and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance envisages transparency with integrity in all its dealings with its stakeholders including shareholders, employees, lenders and others, ensuring a high degree of regulatory compliance.

Code of Conduct:

The Company has adopted a Code of Conduct (the Code) for Directors and Senior Management of the Company in its meeting held on 14th November, 2015 in terms of the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). The Code of Conduct is available at the Company's website www.pudumjee.com.

The Board members and Senior Management Personnel have affirmed their Compliance with the code. A declaration to this effect signed by the Executive Director of the Company is attached with the Annual Report.

BOARD PROCEDURE:

Board Meetings are held about four-five times a year. Detailed Agenda is sent to each Director well in advance of the meetings. The Directors are briefed at each Board Meeting regarding performance and working by the functional heads. In addition to matters statutorily requiring Board's approval, all major decisions of policy, strategic formulations, capital expenditure, new investments, major accounting policies are considered by the committees and/ Board.

MANAGEMENT DISCUSSION AND ANALYSIS:

Overview

The Company has two business divisions, namely, 'Paper Division' and 'Hygiene Division'. The Paper Division manufactures Specialty Papers and markets them throughout the country and exports small quantity. These products comply with special requirements of the customers for application in Packaging of Food products, those require oil and grease resistance, papers for industrial application, household and personal hygiene application meeting requirements in daily life. Examples of such products are:

1. Laminating Base used with functional lamination for packaging of food grade products, pharma products, mouth fresheners, etc.
2. Glassine Paper, Oil & Grease resistance paper, Vegetable Parchmentine, etc. used for Packaging of food products, oily products, packaging of butter, cheese, etc.
3. Papers for Cake Baking and similar applications.
4. Décor Papers for use in Decorative laminates for furniture, Base Paper for Melamine Tableware, etc.
5. Kraft Paper used as Release Liner for labels, etc. Kraft Interleaving for Steel and Glass Industry, Kraft Paper for electrical insulation, etc.
6. Bleached interleaving kraft paper used in lamination for flexible packaging.
7. Cooling pad papers for applications in industrial and household coolers.
8. Fine Printing Papers for Bible Printing, Dictionary, Books, Pharma leaflets as insert & outserts.
9. Creped Tissue products for hygiene application viz. Napkins, Kitchen Towel, Toilet Rolls Paper for baby diapers, sanitary napkins etc.

The Hygiene Division of the Company undertakes conversion of tissue products to value add a part of the production and markets it together with dispensers and other Hygiene products.

The Company is entirely dependent on imports for its fiber requirement viz. Market Pulp and Waste Paper, the prices of which remained high during the year in the International market. The Market Pulp prices combined with the effect of weakening of Rupee against Dollar have on an average, risen from about ₹ 45,000 per MT to ₹ 57,000 per MT during the year. Since the fiber raw material constitutes about 53% of the sales value, this has made substantial financial impact. Company's efforts, however, continue to be made through:

- (i) Increase in volume of high contributing products.
- (ii) Product mix optimisation with better realization, price correction etc., and
- (iii) Cost reduction initiatives in the energy supply and investment on a Supercalendar project.

The Company also undertook three other projects - (i) upgradation of coal fired boiler from 30 T/hr to 35 T/hr steam generation to meet the demand for higher paper production (ii) PM-2 upgradation by installing silent drives to increase machine speed and thus higher production in certain grades. (iii) Installation of size press on PM-1 to improve the quality of products and flexibility of switching over some products from PM-2 to PM-1.

The Company's manufacturing facilities currently located in Pune are saturated and progressive urbanization around the factory site restricts future growth prospects. The Company has already invested in large industrial site admeasuring about 75 acres at MIDC, Mahad in Maharashtra State which would offer future growth opportunities. The Company is examining options in regard to manufacturing of new products besides proposed relocation of existing machines from Pune to Mahad, evaluating market growth potential and required high investment. Mahad location already offers State Government incentives corresponding to the capital expenditure.

The Hygiene Products Division of the Company markets its 'Away-from-Home' converted tissue products such as Bathroom roll, Kitchen towel, Napkins, dispensers and other hygiene products under brand name 'Greenlime', to Institutional buyers such as Luxury Hotels, Airports, Corporate Offices, Facility Managers as the main customers.

Prior to introduction of GST regime the products of the Division were at disadvantage in as much as the Company, following transparent policies, was not able to fully face competition from unorganized sector resorting to unfair trade practices. The GST regime has given a level playing field against this disadvantage and consequently not only its turnover began to go up but also the division now regularly reports net Profit.

Company Performance

During the year under review, the Company has achieved turnover of ₹ 589.52 Crores (Previous year ₹ 506.23 Crores) resulting in EBIDTA at ₹ 40.83 Crores (Previous year ₹ 45.68 Crores) and a Net Profit after tax & other Comprehensive Income at ₹ 17.12 Crores (Previous year ₹19.51 Crores).

Human Resources

The Company follows fair 'human resource' practices providing equal opportunity to all its employees. The policy includes on the job training, progressive and performance driven remuneration, talent retention and some work-life balance programs. The Company believes in offering full opportunity for growth to employees demonstrating positive attitude and initiative to accept challenge and responsibility.

The Company employs about 612 employees and the Industrial relations with the employees remained cordial during the year. A wage agreement which will remain in force till 31st March, 2020 was signed with the Worker's Union.

Opportunities of the Company

Having established itself as pioneers in Specialty Paper products and preferred supplier of quality products in India, the Company is poised for growth with its wide range of Products. Rising urbanisation in India currently estimated over 35% and expected to grow 2.5% (above the 1.3% growth in total population) with expanding middle class is likely to be almost 1 billion people (almost 70% of the population) by 2025.

Spending on education has also been rising both in rural and urban areas with, on an average, all-India spending on education about 5% of the overall household spending.

Rising proportion of working age population and India's median age of 27 years makes it a young Country with large productive workforce. Increase in disposable incomes and changing consumer behaviour preferences, greater penetration of education, print and media, demographic transformation towards a younger population and a shift towards more aspirational life style are other factors.

Besides, there are already signs of growing popularity of ready-to-eat products, liquid packaging and other perishable products all result in higher demand for packaging. The growing intolerance and statutory compulsions against the use of plastics would give way to paper based packaging offering growth opportunities to Pudumjee's planned range of 'functionally coated' packaging paper to enter into flexible packaging applications. Growing hygiene awareness in general and personal hygiene shall support Pudumjee's business objectives for Crepe Tissue products.

Competitive strengths of the Company

- Research & Development with focus on products development as per customer's requirements.
- Extensive distribution network.
- Strong brand recall.
- Relevant expertise, experienced work force and agile management team.
- Cost efficient sourcing and locational advantage and effective cost management.
- Wide range of Product Portfolio.
- Ability to change product mix.

Business Strategy of the Company

- Continuous strengthening of in-house R & D set up and products innovation.
- Build stronger ties with the users & prospective customers.
- Standardizing products specification.
- Identify market opportunities for growth.
- Continuous emphasis on cost reduction and develop ability to design product mix, optimizing input costs, maintain quality and improve margins.
- Relocation of manufacturing facilities with technology upgradation and expanded capacity.

Concerns and threats

In the absence of its own source of fiber, the Company is heavily dependent on bought out fiber for its raw material and majorly imports them from overseas markets. Due to cyclical nature of the business, adverse fluctuations in market pulp prices and foreign exchange volatility substantially impact its working. Further, due to lack of potential Co-generation facilities the Company necessarily depends on costlier purchased energy. Installation of '100 KV Substation' and 'open access' power purchase arrangements made have helped reduce energy cost. However, this conflicts with the earnings of the State Electricity Boards and often impose levies / change tariff to discourage such arrangements. This puts lot of pressure in purchasing power through "Open Access" route. The Company has been purchasing power from Sai Wardha Power Generation Limited (SWPGL) under Group Captive scheme by contribution its share of required investment in equity in SWPGL. The power supply under such scheme are exempt from the levy of Cross Subsidy Surcharge (CSS) and Additional Surcharge (AS). However, such levies aggregating ₹ 15.80 Crores have been demanded by Maharashtra State Electricity Distribution Company Limited (MSEDCL) from the Company in respect of the power supplied for the Financial Year 2016-17 and 2018-19 (upto October, 2018). This entire matter is sub-judice before Maharashtra Electricity Regulatory Commission /Appellate Tribunal for Electricity and is under stay order. The Company has a right of reimbursement from SWPGL in terms of the agreement executed with them. However, SWPGL has become subject matter of Insolvency and Bankruptcy Code. The paper industry also faces shortage of talented and experienced workforce due to shortage of good institutes offering technical courses for the Pulp and Paper industry and general aversion to seeking career in the industry and working on the shop floor. This makes hiring of younger people difficult and those who join leave after few years of working experience for better opportunities.

Though the Company meets stringent norms of pollution laid down by the Government but the deteriorating quality and depleting level of the water in the adjacent 'Pawna river' from which it draws its water requirement by agreement having contributed towards proportional cost of 'Pawna Dam' to the State Irrigation Department, could become a cause of concern to enhanced treatment cost.

Internal Control System and Their Adequacy

The Company has adopted internal control procedures commensurate with its size and operations. The Company's internal control system is designed to ensure management efficiency, measurability and verifiability, reliability of accounting and management information, compliance with all applicable laws and regulations, and the safeguard of the Company's assets so that the main company risks (operational, compliance-related, economic and financial) are properly identified and managed over time. The Board of Directors takes stock of internal control measures taken from time to time.

Environment

Company's Mill site at Thergaon, Chinchwad, Town Pune, over the years has seen rapidly growing urbanization which imposes enhanced responsibility on the Company towards Compliances. Through proper operations and control, the Company has been fully complying with the regulations governing discharge of treated waste water, emission of dust particulate in flue gas etc which are being constantly monitored on-line by the Mill and the State and Central Pollution Control Boards.

The Mill draws its water requirement from adjoining Pawana River wherein water is released from the 'Upstream Pawana Dam' by the Irrigation Department as per sanctioned quota through an arrangement based on the proportional contribution made by the Company towards the cost of the dam. The quality of water upstream of Pudumjee's drawal point has considerably deteriorated due to discharge of untreated waste water from upstream consumers which is a matter of concern for the Company in terms of increasing cost of treatment. On the other hand, there has been a recent concern of any discharge of treated effluent to the Pawana river even though the quality of effluent meets the stringent norms of MPCB.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. The Company's actual results, achievement might differ materially from those projected in any such forward looking statements.

Key Financial Ratios:

Sr. No.	Ratios	31st March, 2019	31st March, 2018	% Change	Reason for Change
1	Current Ratio	1.72	1.30	32.31%	Change is mainly, due to increase in Inventory & decrease in other financial liabilities i.e. mainly on account of fixed deposits repayable within 1 year.
2	Operating Profit Margin (%)	3.85	5.56	- 30.76%	Operating Profit Margin decreased mainly due to rise in the prices of raw material which could not be fully passed on to customers.
3	Return on Net Worth (%)	6.63	8.04	- 17.54%	Return on Net Worth decreased mainly due to decrease in total Comprehensive Income.

Board of Directors:

The Board of Directors is composed of a 1 Promoter Director (Whole Time Director), 1 Executive Director, 1 Non-Executive Non-Independent Director and 4 Non-Executive Independent Directors. The Executive Chairman and Executive Director conduct the day to day management of the Company subject to the supervision and control of the Board of Directors.

The composition of the Board as on 31st March, 2019 is as under:

Directors	Category	Total number of Directorships in Public Companies as on 31 st March, 2019.*	Total number of Member-ships of Committees as on 31 st March, 2019. +	Total number of Chairmanships/ Chairpersonship of Committees as on 31 st March, 2019. +	Names of other Listed Companies in which Executive / Non-Executive Directors hold Directorship & Category of Directorship
Executive Directors					
Mr. Arunkumar Mahabir Prasad Jatia	Executive Chairman ^{&}	5	5	1	<ul style="list-style-type: none"> Thacker and Company Limited - Non-Executive Director AMJ Land Holdings Limited - Non-Executive Chairman
Mr. Ved Prakash Leekha	Managing Director	2	Nil	Nil	<ul style="list-style-type: none"> AMJ Land Holdings Limited - Managing Director (upto 31.03.2019)
Dr. Ashok Kumar	Executive Director	2	Nil	Nil	<ul style="list-style-type: none"> AMJ Land Holdings Limited - Non-Executive Director
Non- Executive Directors					
Mr. Surendra Kumar Bansal	Non Independent Director	6	2	Nil	<ul style="list-style-type: none"> Thacker and Company Limited - Non-Executive Director AMJ Land Holdings Limited - Whole Time Director
Mr. Nandan Damani	Independent Director	6	4	1	<ul style="list-style-type: none"> Simplex Realty Limited – Managing Director Graphite India Limited - Non-Executive Independent Director AMJ Land Holdings Limited - Non-Executive Independent Director
Mr. Vinod Kumar Beswal	Independent Director	4	5	4	<ul style="list-style-type: none"> Thacker and Company Limited – Non-Executive Independent Director AMJ Land Holdings Limited - Non-Executive Independent Director Foods & Inns Limited - Non-Executive Independent Director
Mrs. Madhu Dubhashi	Independent Director	5	4	2	<ul style="list-style-type: none"> Tube Investments of India Limited - Non-Executive Independent Director Majesco Limited - Non-Executive Independent Director
Mr. Basant Kumar Khaitan	Independent Director	6	1	Nil	<ul style="list-style-type: none"> Thacker and Company Limited - Non-Executive Independent Director Yash Papers Limited - Non-Executive Independent Director

& Change in designation from 'Non-Executive Chairman' to 'Executive Chairman' w.e.f. 01st August, 2018.

* Other directorships does not include directorships of private limited companies, foreign companies and companies registered under section 8 of the Act. Includes Directorship in other Public Companies and Pudumjee Paper Products Limited.

+ Committees considered are Audit Committee and Stakeholders Relationship Committee, including in Pudumjee Paper Products Limited.

+ Total number of committee membership includes the Chairmanship also.

PUDUMJEE PAPER PRODUCTS LIMITED

None of the Directors of the Company is a Member of more than 10 Committees and Chairman/Chairperson of more than 5 Committees across all the public limited Companies in which he/she is a Director. None of the Directors of the Company are related to each other.

The Independent Directors of the Company are acting as Independent Director in not more than Seven Listed Companies. Independent Director who is Whole Time Director in other Company acts as Independent Director in not more than Three Listed Companies. The Whole Time Directors of the Company are not Independent Directors in more than Three Listed Companies.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and they are Independent of the Management.

Matrix showing the core skills, expertise and competencies identified and which available with the Board.

- Thorough technical knowledge in Specialty Paper Manufacturing and of Hygiene Products business and competitiveness and other intricacies thereof.
- Business prudence and vision.
- Human Resource Development Management.
- Strategic planning and implementation thereof.
- Risk assessment and management skills.
- Crisis management.
- Negotiation skills.
- Analysis of the Financial Statements, Financial Planning and Internal Controls.
- Legal expertise.

During the year 2018-2019, Board Meetings were held on the following dates :

26.05.2018	21.07.2018
20.10.2018	24.01.2019

The 4th Annual General Meeting (AGM) of the Company was held on 21st July, 2019. The attendance of the Directors at these Meetings was as under:

Name of the Director	Number of Board Meetings Attended	Attendance at the last AGM
Mr. Arunkumar Mahabirprasad Jatia	4	Yes
Mr. Ved Prakash Leekha	4	Yes
Mr. Surendra Kumar Bansal	4	Yes
Mr. Nandan Damani	4	Yes
Mr. Vinod Kumar Beswal	4	No
Mrs. Madhu Dubhashi	4	Yes
Mr. Basant Kumar Khaitan	4	Yes
Dr. Ashok Kumar	3	Yes

Details of Remuneration and sitting fees paid to Directors during the year

(In ₹)

Name of Directors	Sitting fees	Salaries	Perquisites & Benefits	Commission	Total
Mr. Arunkumar Mahabirprasad Jatia*	Nil	80,40,000	35,79,921	Nil	1,16,19,921
Mr. Ved Prakash Leekha	Nil	77,40,000	44,39,507	Nil	1,21,79,507
Mr. Surendra Kumar Bansal	Nil	Nil	Nil	Nil	Nil
Mr. Nandan Damani	1,09,000	Nil	Nil	Nil	1,09,000
Mr. Vinod Kumar Beswal	1,05,000	Nil	Nil	Nil	1,05,000
Mrs. Madhu Dubhashi	95,000	Nil	Nil	Nil	95,000
Mr. B. K. Khaitan	55,000	Nil	Nil	Nil	55,000
Dr. Ashok Kumar	Nil	69,84,000	39,30,465	Nil	1,09,14,465

* w.e.f. 01.08.2018

Perquisites include housing/house rent allowance with electricity, gas, medical expenses, leave travel assistance, club fees, accident insurance, contribution to provident and Superannuation fund etc., but exclude provision for gratuity and pension.

- Severance fees, stock options and notice period are not applicable in case of Executive Directors.
- Non-executive Directors' are entitled to regular sitting fees and re-imbursement of expenses incurred for attending each meeting of Board or Committee thereof.
- The details for shares held by directors as on 31-03-2019 are as under:

Except Mr. Arunkumar Mahabirprasad Jatia who holds 42,06,850 equity shares of ₹ 1/- each of the Company, none of the other Directors namely Mr. Ved Prakash Leekha, Mr. Surendra Kumar Bansal, Mr. Nandan Damani, Mr. Vinod Kumar Beswal, Mrs. Madhu Dubhashi, Mr. Basant Kumar Khaitan and Dr. Ashok Kumar hold any equity shares of the Company.

COMMITTEES OF DIRECTORS:

a) Audit Committee:

The Audit Committee was constituted by the Board of Directors at their meeting held on 14th November, 2015. As on 31st March, 2018, the Audit Committee consists of Four Directors of the Company i.e. Three Non-Executive Independent Directors and One Executive Chairman – Promoter Director, they have vast experience and knowledge of corporate affairs and financial management and possess strong accounting and financial management expertise.

The Composition of Committee is as under:

Mr. Vinod Kumar Beswal - Non-Executive Independent Director – Chairman

Mr. Arunkumar Mahabirprasad Jatia - Executive Chairman – Member

Mr. Nandan Damani - Non-Executive Independent Director – Member

Mrs. Madhu Dubhashi - Non-Executive Independent Director – Member

The Company Secretary acts as a Secretary to the Audit Committee.

Pursuant to provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations, terms of reference of this Committee are as under:

Role of the Audit Committee:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties, grant omnibus approvals subject to fulfilment of certain conditions;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- To obtain outside legal and other professional advice;
- call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investment existing as on the date of coming into force of this provision.
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the following information:
 - a) management discussion and analysis of financial condition and results of operations;
 - b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) internal audit reports relating to internal control weaknesses; and
 - e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - f) statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Meetings of the Audit Committee are also attended by the Managing Director, Chief Financial Officer, the Statutory Auditors and the Internal Auditors.

Four Meetings of Committee were held during the year 1st April, 2018 to 31st March, 2019 on the following dates:

26.05.2018	21.07.2018
20.10.2018	24.01.2019

The attendance at the Meetings were as under:

Sr. No.	Name of the Committee Members	Meetings Attended
1.	Mr. Vinod Kumar Beswal	4
2.	Mr. Arunkumar Mahabirprasad Jatia	4
3.	Mr. Nandan Damani	4
4.	Mrs. Madhu Dubhashi	4

b) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was constituted by the Board of Directors at their meeting held on 14th November, 2015. As on 31st March, 2019, the Nomination and Remuneration Committee consisted of Three Directors of the Company i.e. Three Non-Executive Independent Directors.

Composition:

Mr. Vinod Kumar Beswal, Non-Executive Independent Director	–	Chairman
Mr. Nandan Damani, Non-Executive Independent Director	–	Member
Mrs. Madhu Dubhashi, Non-Executive Independent Director	–	Member

The Company Secretary acts as a Secretary to the Nomination and Remuneration Committee.

The constitution and the terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations.

Pursuant to provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, following revised terms of reference of this Committee are as under:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other Employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend to the board, all remuneration, in whatever form, payable to Senior Management.

Two Committee Meetings were held on 21st July, 2018 and 24th January, 2019 during the year 1st April, 2018 to 31st March, 2019. The attendance at the Meeting were as under:

Sr. No.	Name of the Committee Members	Meetings Attended
1.	Mr. Vinod Kumar Beswal	2
2.	Mr. Nandan Damani	2
3.	Mrs. Madhu Dubhashi	2

The detailed policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, of a Director and other matters and policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees is annexed as respective annexure - 8 to the Directors' Report in this annual report and can be viewed at Company's website at www.pudumjee.com.

c) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee was constituted by the Board of Directors at their meeting held on 14th November, 2015. As on 31st March, 2019, the Stakeholders Relationship Committee consisted of Three Directors of the Company.

Composition:

Mr. Nandan Damani, Non-Executive Independent Director	–	Chairman
Mr. Arunkumar Mahabir Prasad Jatia, Executive Chairman	–	Member
Mr. Surendra Kumar Bansal, Non-Executive Director	–	Member

The Company Secretary acts as a Secretary to the Committee.

Pursuant to provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations, following revised terms of reference of this Committee are as under:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

During the year 2018-2019, the Company received 41 complaints from investors and No complaints were received through SEBI and No Complaint was received through Stock Exchange. The complaints received have been replied to and resolved. No complaints are pending for resolution.

Four Meetings of Committee were held during the year 1st April, 2018 to 31st March, 2019 on the following dates:

26.05.2018	21.07.2018
20.10.2018	24.01.2019

The attendance at the Meetings were as under:

Sr. No.	Name of the Committee Members	Meetings Attended
1.	Mr. Nandan Damani	4
2.	Mr. Arunkumar Mahabirprasad Jatia	4
3.	Mr. S. K. Bansal	4

d) General Body Meetings:**i) Annual General Meetings held during the past three years and the following Special Resolutions were passed:**

Financial Year End	Date of Meeting and Venue	Time	Special Resolutions passed
31 st March, 2016	17 th September, 2016 Thergaon, Pune – 411033.	02.30 p.m. (ST)	(i) Approval for the remuneration of Managing Director, Mr. V. P. Leekha. (ii) Consent of shareholders for acceptance of fixed deposits from Members and from the Public in general. (iii) Alteration of certain clauses in Articles of Association of the Company. (iv) Approval Appointment of and remuneration payable to Dr. Ashok Kumar (DIN: 07111155) as an Executive Director of the Company.
31 st March, 2017	22 nd July, 2017 Thergaon, Pune – 411033.	3.00 p.m. (ST)	(i) Consent of shareholders for acceptance of fixed deposits from Members and from the Public in general.
31 st March, 2018	21 st July, 2018 Thergaon, Pune – 411033.	3.00 p.m. (ST)	(i) Consent of shareholders for acceptance of fixed deposits from Members and from the Public in general. (ii) Approval for providing loans to Bodies Corporate(s).

ii) Postal Ballot:

During the year under review, no resolutions were passed through Postal Ballot.

COMPANY'S POLICIES:

The Board has adopted the following policies/programme:

- (a) Policy on Related Party Transactions
- (b) Whistle Blower Policy/Vigil Mechanisam
- (c) Criteria For Selection of Candidates for Senior Management and Members on the Board of Directors
- (d) Familiarisation programme for Independent Directors
- (e) Policy on Board's Diversity
- (f) Risk Policy & Procedures
- (g) CSR Policy
- (h) Archival policy
- (i) Policy For Preservation of Documents
- (j) Policy on Determination of Materiality For Disclosure(s)
- (k) Policy For Determination Of Legitimate Purposes
- (l) Policy for Procedure of Inquiry in case of leak of unpublished price sensitive information

The disclosure in respect of above policies/programme is available at the website of the Company viz. www.pudumjee.com.

MEETING OF INDEPENDENT DIRECTORS:

As required under Companies Act, 2013 and Listing Regulations, a meeting of the Independent Directors was held on 24th January, 2019, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors evaluated the performance of the Non-Independent Directors, wherein the evaluation of performance of the Non-Independent Directors, including the Chairman and also of the Board as a Whole was made, against pre-defined and identified criteria.

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS:

As required under Companies Act, 2013 and Listing Regulations the Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

CEO/CFO CERTIFICATION:

As required under Regulation 17(8) of the Listing Regulations, the Executive Director and the CFO of the Company have certified to the Board that Audited Financial Statements for the Financial Year ended 31st March, 2019 do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified there under.

DISCLOSURES:

1. Related Party Transactions:

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transaction and the same is available at the website of the Company viz, www.pudumjee.com. The Audit Committee has granted from time to time, omnibus approval to related party transactions. A Statement of all the Related Party Transaction entered into by the Company, pursuant to the omnibus approval granted was placed before the meeting of Audit Committee for its review.

2. Details of Non Compliance:

Your Company has complied with all the requirements of the regulatory authorities. There were no instances of non compliance by the Company, nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets during the last year.

3. Whistle Blower Policy / Vigil Mechanism:

The Company has formulated a policy "Whistle Blower Policy / Vigil Mechanism", wherein the Employees/Directors/Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides safeguards against victimization of Employees, who report under the said mechanism. We affirm that no director or employee has been denied access to the Audit Committee during financial year 31st March, 2019.

4. Prevention of Insider Trading:

The Company has adopted a detailed Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations.

5. Compliance with Mandatory requirements and Adoption of Non-mandatory requirements:

All the Mandatory requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, have been complied with as detailed in this annexure. The Company has also complied Non-mandatory requirements of the Listing Regulations such as: a) Separate posts of Chairman and Managing Director b) unmodified audit opinion.

The Company has complied with corporate governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. Risk Management Disclosure:

In terms of Listing Regulations, the Company has its "Risk Management Policy and Mitigation measures" and is adopted by the Board. The Board/Audit Committee periodically reviews the risks and the measures to mitigate the same.

7. List of Credit Ratings obtained by the Company:

Total Bank Loan Facilities Rated	₹ 250 Crore
Long Term Rating	CRISIL A-/Stable (Upgraded from CRISIL BBB+/Positive)
Short Term Rating	CRISIL A2+ (Upgraded from CRISIL A2)

₹ 50 crore Fixed Deposits (Enhanced from ₹ 35 crore)	FA/Stable (Upgraded from FA-/Positive)
---	--

8. A Certificate from Practicing Company Secretary, Mr. I. U. Thakur, Pune has been received confirming that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such other authority.

9. Disclosure of commodity price risks and commodity hedging activities: Not Applicable**10. Foreign exchange risk and hedging activities:**

The Company usually takes short term cover against foreign exchange rates moving upwards and guards against possible losses.

11. Fees paid by the Company to M/s. J. M. Agrawal & Company, Statutory Auditors for the Financial Year 2018-19:

Sr. No.	Name of the Company	Fees Paid (₹)
1.	Pudumjee Paper Products Limited	₹ 22.05 Lakhs

12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a)	Number of complaints filed during the financial year:	Nil
b)	Number of complaints disposed of during the financial year:	Nil
c)	Number of complaints pending as on end of the financial year:	Nil

Means of Communication

The Company has published its quarterly and half yearly results giving the required particulars in the "Financial Express" / "Economic Times" and "Loksatta" / Maharashtra Times (Regional Language). These results are also posted on Company's website at www.pudumjee.com.

Management Discussion and Analysis

The Management Discussion and Analysis forms part of the Directors Report and is appearing else where in the Annual Report.

Disclosure of shares lying in the Unclaimed Suspense Account:

Pursuant to Regulation 39 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details in respect of the shares lying in the unclaimed suspense account till 31st March, 2019 is as under:

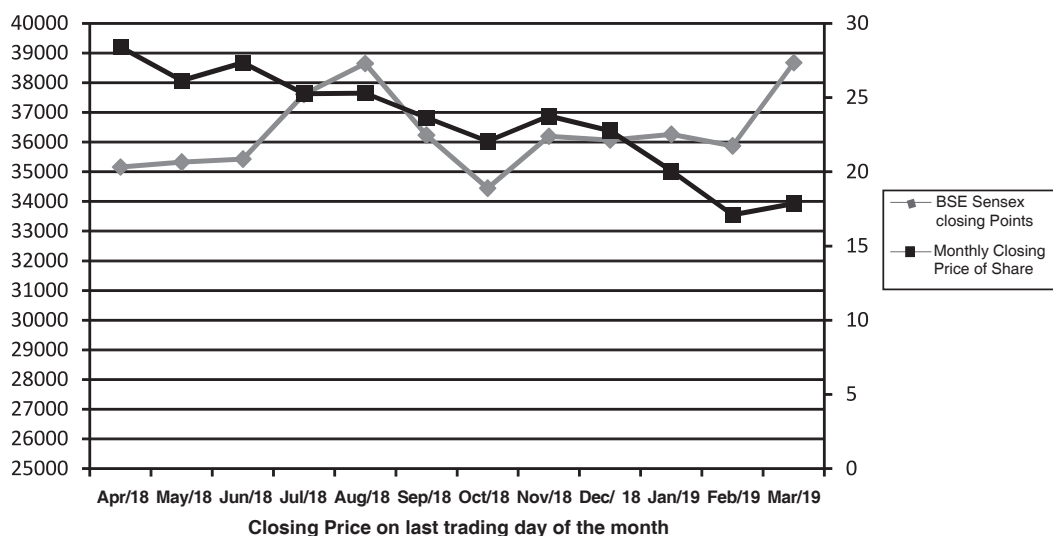
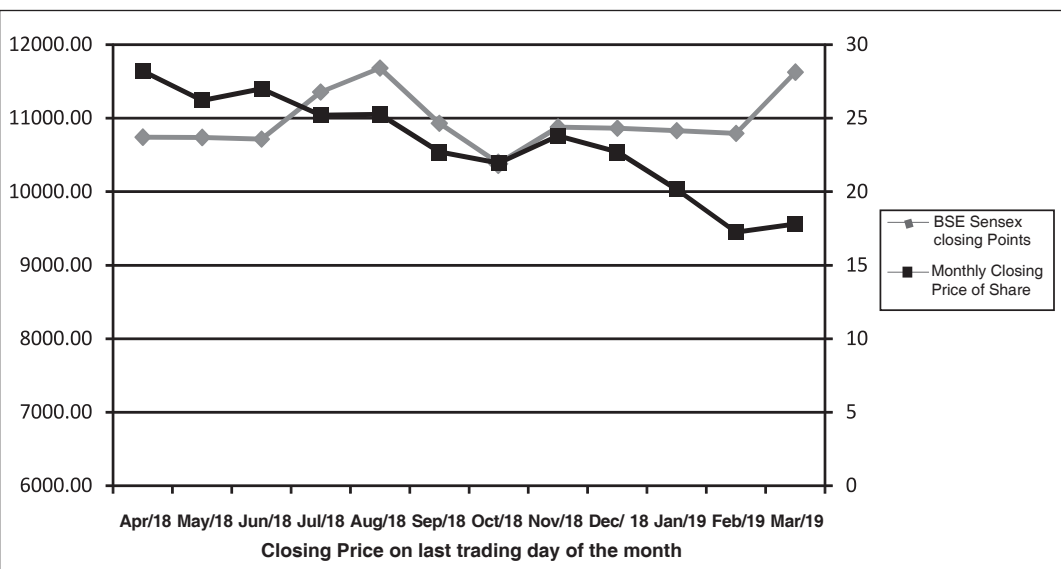
Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1 st April, 2018	677	6,70,658
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account	--	--
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents.	--	--
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31 st March, 2019	677	6,70,658

There were no request pending for want of necessary documents from the Shareholders / legal heirs.

Voting rights in respect of the aforesaid 6,70,658 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are claimed by the concerned Shareholders. Shareholders may get in touch with the Company/ RTA for any further information in this matter.

Market share Price Data: (In ₹)

Month/Index	BSE Limited (BSE)			National Stock Exchange of India Limited (NSE)		
Month	High Price	Low Price	Close Price	High Price	Low Price	Close Price
April-2018	31.65	24.90	28.40	31.50	24.30	28.20
May-2018	34.80	25.65	26.15	34.70	26.00	26.20
June-2018	27.60	23.15	27.35	27.90	23.15	27.00
July-2018	28.50	24.50	25.25	28.50	24.25	25.20
August-2018	29.00	25.20	25.30	29.05	25.10	25.25
September-2018	28.00	22.20	23.65	28.00	21.95	22.70
October-2018	23.95	20.05	22.05	24.05	19.95	21.95
November-2018	25.70	21.30	23.75	24.90	20.30	23.80
December-2018	24.50	21.15	22.75	24.95	20.65	22.70
January-2019	23.00	19.70	20.05	23.20	19.60	20.15
February-2019	20.60	16.55	17.10	20.65	16.15	17.25
March-2019	20.45	17.20	17.85	20.30	17.00	17.80

Stock Performance in comparison: to BSE Sensex**Stock Performance in comparison: to NSE NIFTY**

Shareholding pattern and distribution pattern of shares as at 31st March, 2019:

SHAREHOLDING PATTERN			DISTRIBUTION OF SHAREHOLDING		
Category of shareholder	No. of shares	% of shares held	No. of shares	No. of shareholders	No. of Shares held
PROMOTER AND PROMOTER GROUP			1-5000	16,766	1,21,62,662
Individual /Hindu Undivided Family	42,06,950	4.43	5001- 10000	479	36,00,646
Bodies Corporate	4,78,52,962	50.40	10001- 20000	209	30,79,120
Trust	1,16,60,101	12.28	20001- 30000	68	17,48,745
Individuals (Non-Resident Individuals / Foreign Individuals)	--	--	30001- 40000	41	14,27,824
PUBLIC SHAREHOLDING			40001- 50000	14	6,41,698
Mutual Funds /	462	0.00	50001- 100000	21	15,19,726
Financial Institutions/Banks	4,341	0.00	100001 & Above	31	7,07,69,579
NBFC Registered with RBI	3,718	0.00			
Insurance Companies	462	0.00			
Bodies Corporate	56,17,993	5.92			
Individuals	2,43,93,828	25.69			
Non resident Indians	11,92,061	1.26			
Clearing Members	17,122	0.02			
GRAND TOTAL	9,49,50,000	100.00	GRAND TOTAL	17,629	9,49,50,000

Dematerialization of Shares and Liquidity as on 31st March, 2019

Physical Form : 1.99%

Dematerialized Form : 98.01%

Trading in equity shares of the Company is permitted in dematerialized form only as per the notification issued by Securities and Exchange Board of India (SEBI). Non-promoters share holding is 32.89%.

General Shareholders' Information:

i) Date, time and venue of Annual General Meeting	Saturday, 27 th July, 2019 at 3.00 p.m. Registered Office of the Company at Thergaon, Pune 411 033.
ii) Financial Year	1 st April to 31 st March
iii) Date of Book Closure	From Tuesday, the 16 th day of July, 2019 to Saturday, the 27 th day of July, 2019.
iv) Dividend Payment Date	07 th August, 2019
v) Board Meeting for Consideration of unaudited results for first three quarters	Within 45 days from the end of the each quarter
vi) Listing on Stock Exchanges and Scrip code/ Symbol: a) BSE Ltd. Phiroze Jeejibhoy Towers 25 th Floor, Dalal Street, Mumbai 400 001. b) The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra-Kurla Complex, Bandra (E), MUMBAI 400 051.	539785 PDMJEPAPER
vii) NSDL and CDSL Demat stock code	INE865T01018
viii) E-mail ID for Investor Complaints	investors.relations@pudumjee.com
ix) Any other inquiry:	The Company Secretary, Pudumjee Paper Products Limited Thergaon, Pune 411 033. Tel. : 91-20-30613333 Fax. : 91-20-40773388 E-mail : vinay.jadhav@pudumjee.com
x) Plant Location	Thergaon, Pune 411 033.
xi) Corporate Identification Number	L21098PN2015PLC153717
xii) Registrars & Share Transfer Agents:	Karvy Fintech Pvt. Ltd Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008 Tel. : 91-40-44655000 Fax : 91-40-23420814 E-mail: einward.ris@karvy.com

PUDUMJEE PAPER PRODUCTS LIMITED

This is a Common Agency looking after all the work related to share registry in terms of both physical and electronic connectivity (as per directions of SEBI) the details are as under:

The Shareholders/investors can approach M/s. Karvy Fintech Pvt. Ltd. at any of its service centres throughout the country for any of their queries relating to share transfer, dividend etc.

(Note: Shareholders holding shares in Electronic Mode should address all correspondence to their respective Depository Participants).

Listing fees:

Listing fees for the year 2019-2020 have been paid in full to BSE Limited and National Stock Exchange of India Limited.

Share Transfer System:

The Share transfers in physical form are presently processed and the Share Certificates returned within a period of 15 days from the date of receipt subject to the documents being in order in all respects.

Certificate of Compliance:

The Certificate of Compliance with requirements of Corporate Governance by the Company, issued by Mr. I. U. Thakur, Company Secretary is annexed.

On Behalf of the Board of Directors,

Place: Mumbai
Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

DECLARATION BY THE EXECUTIVE DIRECTOR REGARDING AFFIRMATION OF CODE OF CONDUCT

To

The Members of Pudumjee Paper Products Limited

I, Dr. Ashok Kumar, Executive Director of Pudumjee Paper Products Limited, declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct for the year ended 31st March, 2019.

Dr. Ashok Kumar
Executive Director

Place: Mumbai
Date : 24th May, 2019

CERTIFICATE ON CORPORATE GOVERNENCE

To,
The Members of
PUDUMJEE PAPER PRODUCTS LIMITED

We have examined the compliance with conditions of Corporate Governance by PUDUMJEE PAPER PRODUCTS LIMITED, for the year ended on 31st March, 2019, as stipulated in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementation thereof, as adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

I U THAKUR
COMPANY SECRETARY
CP-1402: Membership Number-2298

Place : Pune
Date : 18th May, 2019

ANNEXURE - 8**FORM NO. MGT - 9****EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:	L21098PN2015PLC153717
ii)	Registration Date	14/01/2015
iii)	Name of the Company	Pudumjee Paper Products Limited
iv)	Category / Sub-Category of the Company	Public Company Limited by Shares
v)	Address of the Registered office and contact details	Thergaon, Pune- 411033. Tel.: 91-20-40773333 Fax.: 91-20-40773388
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032 Tel. : 91-40-44655000 Fax : 91-40-23420814

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to Total turnover of the Company
1	Paper	1701	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of Shares Held	Applicable Section
Not Applicable					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year 01-04-2018				No. of Shares held at the end of the year 31-03-2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
a)	Individual/HUF	42,07,350	0	42,07,350	4.43	42,06,950	0	42,06,950	4.43	0.00
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Govt. (s)	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corp.	4,78,52,562	0	4,78,52,562	50.40	4,78,52,962	0	4,78,52,962	50.40	0.00
e)	Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other (Trust)	96,75,101	0	96,75,101	10.19	1,16,60,101	0	1,16,60,101	12.28	2.09
	Sub-total (A) (1):-	6,17,35,013	0	6,17,35,013	65.02	6,37,20,013	0	6,37,20,013	67.11	2.09
(2)	Foreign									
a)	NRIs - Individuals	19,85,000	0	19,85,000	2.09	0	0	0	0	(2.09)
b)	Other - Individuals	0	0	0	0	0	0	0	0	0.00
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d)	Banks / FI	0	0	0	0	0	0	0	0	0.00
e)	Any Other....	0	0	0	0	0	0	0	0	0.00
	Sub-total (A) (2):-	19,85,000	0	19,85,000	2.09	0	0	0	0	(2.09)
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		6,37,20,013	0	6,37,20,013	67.11	6,37,20,013	0	6,37,20,013	67.11	0.00
B	Public Shareholding									
1)	Institutions									
a)	Mutual Funds	0	462	462	0.00	0	462	462	0.00	0.00
b)	Banks / FI	24,296	973	25,269	0.03	3,368	973	4,341	0.00	(0.03)
c)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	462	462	0.00	0	462	462	0.00	0.00
g)	FIs	0	0	0	0.00	0	0	0	0.00	0.00
h)	Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i)	Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
j)	Foreign Portfolio Investors	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B)(1):-	24,296	1,897	26,193	0.03	3,368	1,897	5,265	0.00	(0.03)
2)	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	58,08,279	18,939	58,27,218	6.14	56,08,079	9,914	56,17,993	5.92	(0.22)
ii)	Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹1 lakhs.	1,87,70,622	19,97,042	2,07,67,664	21.86	2,03,08,871	17,93,839	2,21,02,710	23.28	1.41
ii)	Individual shareholders holding nominal share capital in excess of ₹1 lakhs.	33,24,734	0	33,24,734	3.50	22,91,118	0	22,91,118	2.41	(1.09)
c)	Others (specify)									
	Non Resident Indians	11,10,512	92,036	12,02,548	1.27	11,10,200	81,861	11,92,061	1.26	(0.01)
	Clearing Members	80,684	945	81,629	0.09	16,177	945	17,122	0.02	(0.07)
	NBFC	1	0	1	0.00	3,718	0	3,718	0.00	0.00
	Trust	0	0	0	0.00	0	0	0	0	0.00
	Sub-total (B)(2):-	2,90,94,832	21,08,962	3,12,03,794	32.86	2,93,38,163	18,86,559	3,12,24,722	32.89	0.03
Total Public Shareholding (B)=(B)(1)+ (B)(2)		2,91,19,128	21,10,859	3,12,29,987	32.89	2,93,41,531	18,88,456	3,12,29,987	32.89	(0.00)
C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0.00	0.00
Grand Total (A+B+C)		9,28,39,141	21,10,859	9,49,50,000	100.00	9,30,61,544	18,88,456	9,49,50,000	100.00	0.00

(ii) Shareholding of Promoters

Sl	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Arunkumar Mahabirprasad Jatia	42,06,850	4.43	0	42,06,850	4.43	0	0.00
2	Vrinda Jatia	9,92,500	1.05	0	0	0	0	(1.05)
3	Vasudha Jatia	9,92,500	1.05	0	0	0	0	(1.05)
4	Yashvardhan Jatia	100	0	0	100	0	0	0.00
5	Pudumjee Investment & Finance Company Limited	17,75,605	1.87	0	17,75,605	1.87	0	0.00
6	Thacker and Company Limited	1,29,15,362	13.60	0	1,29,15,362	13.60	0	0.00
7	Suma Commercial Private Limited	1,03,09,452	10.86	0	1,03,09,452	10.86	0	0.00
8	Fujisan Technologies Limited	3,94,056	0.42	0	3,94,056	0.42	0	0.00
9	Chem Mach Private Limited	47,14,192	4.96	0	47,14,192	4.96	0	0.00
10	3P Land Holdings Limited (formerly known as Pudumjee Industries Limited)	1,68,13,769	17.71	0	1,70,58,769	17.97	0	0.26
11	Pudumjee Hygiene Products Limited	20,000	0.02	0	0	0	0	(0.02)
12	Pudumjee Holding Limited	2,25,000	0.24	0	0	0	0	(0.24)
13	AMJ Land Holdings Limited (formerly known as Pudumjee Pulp & Paper Mills Limited)	6,85,526	0.72	0	6,85,526	0.72	0	0.00
14	Yashvardhan Jatia Trust (Arun Kumar Mahabir Prasad Jatia, Gautam N Jajodia, Trustees of the Trust)	96,75,101	10.19	0	96,75,101	10.19	0	0.00
15	Vasudha Jatia Trust (Arun Kumar Mahabirprasad Jatia, Gautam N. Jajodia and Smita Gupta, Trustees of the Trust)	0	0	0	9,92,500	1.05	0	1.05
16	Vrinda Jatia Trust (Arun Kumar Mahabirprasad Jatia, Gautam N. Jajodia and Smita Gupta, Trustees of the Trust)	0	0	0	9,92,500	1.05	0	1.05

(iii) Change in Promoters' Shareholding

Name of the Promoter	Shareholding at beginning of the year (01-04-2018)		Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease				Cumulative Shareholding during the year		At the End of the year (31-03-2019)	
	No. of Shares	% of total shares of the Company	Increase / Decrease	Reasons for change	No. of shares increase / decrease	Date of change in shareholding D/M/Y	No. of shares	% of total shares of the Company	No. of Shares	% of Shares held
Vrinda Jatia	9,92,500	1.05	Decrease	Transfer of Shares to Vrinda Jatia Trust	9,92,500	15/02/2019	0	0	0	0
Vasudha Jatia	9,92,500	1.05	Decrease	Transfer of Shares to Vasudha Jatia Trust	9,92,500	15/02/2019	0	0	0	0
Vrinda Jatia Trust (Arun Kumar Mahabirprasad Jatia, Gautam N. Jajodia and Smita Gupta, Trustees of the Trust)	0	0	Increase	Transfer of Shares from Vrinda Jatia	9,92,500	15/02/2019	9,92,500	1.05	9,92,500	1.05
Vasudha Jatia Trust (Arun Kumar Mahabirprasad Jatia, Gautam N. Jajodia and Smita Gupta, Trustees of the Trust)	0	0	Increase	Transfer of Shares from Vasudha Jatia	9,92,500	15/02/2019	9,92,500	1.05	9,92,500	1.05
Pudumjee Hygiene Products Limited	20,000	0.02	Decrease	Pudumjee Holding Limited and Pudumjee Hygiene Products Limited has merged with 3P Land Holdings Limited (Formerly known as Pudumjee Industries Limited) vide a Scheme of Amalgamation, approved by Hon'ble National Company Law Tribunal, vide Order dated 14 th December, 2018 ('Order').	20,000	27/02/2019	0	0	0	0
Pudumjee Holding Limited	2,25,000	0.24	Decrease		2,25,000	27/02/2019	0	0	0	0
3P Land Holdings Limited (formerly known as Pudumjee Industries Limited)	16,88,13,769	17.71	Increase	Transfer of Shares from Pudumjee Holding Limited [2,25,000] and Pudumjee Hygiene Products Limited [20,000]	2,45,000	27/02/2019	1,70,58,769	17.97	1,70,58,769	17.97

During the year, except above mentioned change, there were no change(s) in the Shareholding of other promoters.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders		Shareholding at beginning of the year (01-04-2018)		Date wise Increase /Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
Sr. No.	Name of the Shareholders Shares	No. of shares	% of total shares of the Company	Reasons for change	Date of Change in shareholding D/M/Y	No of shares increasing/ decreased @	No. of Shares	% of total shares of the Company
1	Halan Properties Private Limited	28,67,615	3.02	At the End of the Year	31-03-2019	---	28,67,615	3.02
2	Hanuman Prasad Birla	5,55,045	0.58	Decrease	21-12-2018	98,045	4,57,000	0.48
				Decrease	04-01-2019	88,813	3,68,187	0.39
				Decrease	11-01-2019	29,896	3,38,291	0.36
				At the End of the Year	31-03-2019	---	3,38,291	0.36
3	Sanjay M Jatia	4,49,997	0.47	Increase	30-11-2018	5,001	4,54,998	0.48
				Increase	07-12-2018	2	4,55,000	0.48
				At the End of the Year	31-03-2019	---	4,55,000	0.48
4	Muktilal Ganulal Paldiwal	3,68,292	0.39	Increase	02-11-2018	1,000	3,69,292	0.39
				Increase	08-02-2019	358	3,69,650	0.39
				Increase	01-03-2019	5,508	3,75,158	0.40
				Increase	08-03-2019	4,879	3,80,037	0.40
				Increase	22-03-2019	1,435	3,81,472	0.40
				At the End of the Year	31-03-2019	---	3,81,472	0.40
5	Krishna Vishvanath	2,76,660	0.29	Increase	16-11-2018	1,000	2,77,660	0.29
				Increase	01-03-2019	1,929	2,79,589	0.29
				At the End of the Year	31-03-2019	---	2,79,589	0.29
6	Subramanian P	2,33,890	0.25	At the End of the Year	31-03-2019	---	2,33,890	0.25
7	Sangitadevi Kailashchandra Lohia	2,26,976	0.24	At the End of the Year	31-03-2019	---	2,26,976	0.24
8	Sarwankumar Devidutt Saraf HUF	2,15,425	0.23	Decrease	20-04-2018	43,348	1,72,077	0.18
				Decrease	04-05-2018	14,899	1,57,178	0.17
				Decrease	11-05-2018	7,093	1,50,085	0.16
				Decrease	30-11-2018	1,280	1,48,805	0.16
				Decrease	07-12-2018	3,515	1,45,290	0.15
				Decrease	14-12-2018	2,000	1,43,290	0.15
				Decrease	21-12-2018	1,472	1,41,818	0.15
				Decrease	28-12-2018	11,991	1,29,827	0.14
				At the End of the Year	31-03-2019	---	1,29,827	0.14
9	Nandkishore Agarwal	1,25,327	0.13	Decrease	22-03-2019	1,25,327	1,25,327	0.13
				At the End of the Year	31-03-2019	---	0	0.00
10	Feroza Maneck Patel	1,22,490	0.13	Increase	14-09-2018	61,490	1,83,980	0.19
				Decrease	14-09-2018	61,490	1,22,490	0.13
				At the End of the Year	31-03-2019	---	1,22,490	0.13

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Each Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding At the End of the year	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Mr. Arunkumar Mahabirprasad Jatia	42,06,850	4.43	-----	-----	42,06,850	4.43
2	Mr. Ved Prakash Leekha	-----	-----	-----	-----	-----	-----
3	Mr. Surendra Kumar Bansal	-----	-----	-----	-----	-----	-----
4	Mr. Nandan Damani	-----	-----	-----	-----	-----	-----
5	Mr. Vinod Kumar Beswal	-----	-----	-----	-----	-----	-----
6	Mrs. Madhu Dubhashi	-----	-----	-----	-----	-----	-----
7	Mr. B. K. Khaitan	-----	-----	-----	-----	-----	-----
8	Dr. Ashok Kumar	-----	-----	-----	-----	-----	-----
9	Mr. H. P. Birla	5,55,045	0.58	(2,16,754)	(0.22)	3,38,291	0.36

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment;

(In ₹)

	Secured Loans excluding deposits		Unsecured Loans	Fixed Deposit Accepted	Total Indebtedness
	Cash credit	Term Loan			
Indebtedness at the beginning of the financial year					
i) Principal amount	99,63,298	20,13,47,535	0	34,63,24,000	55,76,34,833
ii) Interest due but not paid	0	0	0	0	0
iii) Interest accrued but not due	0	0	0	2,72,49,180	2,72,49,180
Total (i+ii+iii)	99,63,298	20,13,47,535	0	37,35,73,180	58,48,84,013
Changes in indebtedness during the financial year					
Addition	1,21,48,087	36,85,75,000	0	1,24,561	38,08,47,648
Reduction	0	11,30,89,836	0	7,95,07,015	19,25,96,851
Net Change	1,21,48,087	25,54,85,164	0	(7,93,82,454)	18,82,50,797
Indebtedness at the end of the year					
i) Principal amount	2,21,11,385	45,68,32,699	0	28,63,27,000	76,52,71,084
ii) Interest due but not paid	0	0	0	1,24,561	1,24,561
iii) Interest accrued but not due	0	0	0	77,39,165	77,39,165
Total (i+ii+iii)	2,21,11,385	45,68,32,699	0	29,41,90,726	77,31,34,810

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In ₹)

Sl	Name of the Directors and Particulars of Remuneration	Name of MD/WT/ Manager			Total
		Mr. Arunkumar Mahabirprasad Jatia (Executive Director) w.e.f. 01.08.2018	Mr. Ved Prakash Leekha (Managing Director)	Dr. Ashok Kumar (Executive Director)	Amount
1	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80,40,000	77,40,000	69,84,000	2,27,64,000
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	18,11,121	35,10,707	23,93,985	77,15,813
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission as % of profit others, shpecify...	NIL	NIL	NIL	NIL
5	Others, please specify (Insurance Premium, PF and Superannuation contribution, if any)	17,68,800	9,28,800	15,36,480	42,34,080
	Total	1,16,19,921	1,21,79,507	1,09,14,465	3,47,13,893
	Ceiling as per the Act (I)	₹ 1,68,00,000/-	₹ 1,68,00,000/-	₹ 1,68,00,000/-	--

B. Remuneration to other Directors:

(In ₹)

Particulars of Remuneration and Name of the Directors	Name of other Directors				Total Amount
	Mr. Nandan Damani	Mr. V. K. Beswal	Mrs. Madhu Dubhashi	Mr. B. K. Khaitan	
1 Independent Directors					
Fee for attending board / committee meetings	1,09,000	1,05,000	95,000	55,000	3,64,000
Commission	–	–	–	–	–
Others, please specify	–	–	–	–	–
Total (1)	1,09,000	1,05,000	95,000	55,000	3,64,000
2 Name of the Non - Executive Directors					
Other Non-Executive Directors	Mr. Arunkumar Mahabirprasad Jatia (up to 31.07.2018)	Mr. Surendra Kumar Bansal			
Fee for attending board /committee meetings	–	–	–	–	–
Commission	–	–	–	–	–
Others, please specify	–	–	–	–	–
Total (2)	–	–	–	–	–
Total (B)=(1+2)	1,09,000	1,05,000	95,000	55,000	3,64,000
Ceiling limit as per Act being Maximum sitting fees at ₹ 1 Lakhs per Meeting (II)	17,00,000	13,00,000	11,00,000	7,00,000	–

C. Remuneration To Key Managerial Personnel other than MD/MANAGER/WTD

(In ₹)

Particulars of Remuneration and Name of the KMP	Key Managerial Personnel			Total
	CEO	Chief Financial Officer	Company Secretary	
	NA	Mr. Hanuman Prasad Birla	Mr. Vinay Jadhav	
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	31,67,800	10,21,263	41,89,063
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	11,42,557	1,06,626	12,49,183
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
Stock Option	NIL	NIL	NIL	NIL
Sweat Equity	NIL	NIL	NIL	NIL
Commission as % of profit others, specify...	NIL	NIL	NIL	NIL
Others, please specify	NIL	NIL	NIL	NIL
Total	NIL	43,10,357	11,27,889	54,38,246

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On Behalf of the Board of Directors,

Place: Mumbai
Date : 24th May, 2019

A. K. Jatia,
Executive Chairman.

ANNEXURE - 9

CRITERIA FOR SELECTION OF CANDIDATES FOR SENIOR MANAGEMENT AND MEMBERS ON THE BOARD OF DIRECTORS

Introduction:

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Board of Directors of the Company at its meeting held on 14.11.2015, constituted the Nomination and Remuneration Committee of the Board of Directors (Committee) and also stipulated terms of reference in line with the Companies Act, 2013.

The Board has delegated the responsibility to the Committee to formulate the criteria for identification, selection of the candidates fit for the various positions in senior management and who are qualified to be appointed as Director on the Board of Directors of the Company.

The Committee has adopted the following criteria for selection of candidates eligible to be appointed in the Senior Management of the Company and also Member on the Board of Directors of the Company.

Criteria for Selection of Directors:

The Committee shall, before making any recommendation to the Board for appointment of any Director, consider the following;

- the candidate should have appropriate experience both in terms of quality and time in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- the candidate should possess the positive attributes such as leadership skills, decision making skills, integrity, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company;
- the candidate should be free from any disqualifications as provided under Sections 164 and 167 of the Companies Act, 2013;
- the candidate should meet the conditions of being independent as stipulated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, in case of appointment of an independent director;
- the candidate should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, infrastructure, or such other areas or disciplines which are relevant for the Company's business;

The Committee should also verify that the said person is not debarred from holding the office of Director pursuant to any SEBI order or any other such authority.

Criteria for Selection of Senior Management Personnel:

The term 'Senior Management' shall have the meaning provided under the explanation to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with effect from 1st April, 2019, as provided herewith –

As per Section 178 of the Companies Act, 2013,

The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with effect from 1st April, 2019

- “senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

The Committee shall, before making any recommendation to the Board, for appointment, consider the attributes of the candidate set forth below:

- The candidate should have appropriate experience both in terms of quality and time in any of the areas viz. banking, infrastructure, financial management, legal, sales, marketing, administration, research, corporate governance, technical operations, or such other areas or disciplines which in the opinion of the management and Committee are relevant for the Company's business;
- The candidate should possess the positive attributes such as leadership skills, decision making skills, integrity, effective communication, hard work, commitment and such other attributes which in the opinion of the Committee the candidate possess and are in the interest of the Company.

If the Committee finds that the candidate meets the above criteria for appointment as part of Senior Management or as a Director on the Board, as the case may be, the Committee shall make its recommendation to the Board.

Remuneration Policy

The Company's remuneration policy is based on the success and performance of the individual employee and the Company. Through, its compensation policy, the Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, variable and fixed allowances, benefits and bonuses etc. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

The Company pays remuneration by way of salary (fixed component), benefits, perquisites and allowances (variable component) to its Managing Directors and the executive directors. Periodical increases, if any, are decided by the Remuneration Committee and Board subject to the approval by the members and are effective from April 1 each year. The Remuneration Committee decides on the commission if any payable to Executive Chairman out of profits for the financial year and within the ceiling prescribed by the Companies Act based on the performance of the Company as well as that of the incumbent.

The Company pays sitting fees of ₹ 10,000 per meeting or as may be fixed from time to time to its Directors for attending the meetings of the Board and ₹10,000/5000 for meetings of the Committee of the Board. The Company also reimburses the out of pocket expenses incurred by the Directors for attending the meetings.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Pudumjee Paper Products Limited

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Pudumjee Paper Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing(SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Provisions and contingencies</p> <p>The Company has received a demand of ₹ 1580.34 lakhs from MSEDCL on power purchased from outside vendor in captive power purchase scheme. The matter is pending in with appellate tribunal/MERC where the Company's appeal / petition are pending. No Provision has been made in books based on management's estimate.</p> <p>Refer Note 28 of the financial statement.</p>	<p>Our procedure included, but were not limited to the following:</p> <p>We assessed the management's judgement in determining the probability of the outcome of the pending litigation, and an ultimate probability of economic outflow.</p> <p>We have obtained information on the pending litigation and its status. We have obtained explanations from management to understand the merits in the demand and appeal filled.</p> <p>We have also consider the adequacy of the disclosures in respect of the pending demand and the sub-judice matter.</p>
<p>Assessment of impairment of Goodwill</p> <p>Goodwill of Rs. 7793.05 has arisen as per the Scheme of arrangement and reconstruction approved by high court dated January 8, 2016.</p> <p>The management monitors goodwill at the company level by considering entire business. Consequently, goodwill is not allocable to any segment or cash-generating unit.</p> <p>Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions.</p> <p>Refer note 31 of the financial statements.</p>	<p>Our procedure included, but were not limited to the following:</p> <p>Obtained the valuation report prepared by management for determining the value-in-use, which includes projected cash flows. Assessed the significant estimates and judgements used.</p> <p>Assessed the reasonableness of assumptions used, including assumptions relating to revenue growth rate, gross margins, discount rates, long-term growth rate etc. based on historical results, current developments and future plans of the business estimated by management.</p> <p>Assessed cash flow forecasts to ensure consistency with current operations of the Company and performed sensitivity analysis on key assumptions used in management's calculated recoverable value.</p> <p>Based on our procedures, we also considered the adequacy of disclosures in respect of goodwill impairment in the notes to the financial statements.</p>

Other Information

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report but does not include the financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, the profit and total comprehensive income, changes in equity and its cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Misstatements can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2019 which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2019;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

3. With respect to the other matters to be included in the Auditor's Report under section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V of the Act.

Place : Mumbai
Date : 24th May, 2019.

For J M Agrawal & Co.
Firm Registration Number : 100130W
Chartered Accountants

Punit Agrawal
Partner
Membership No. 148757

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in the Independent Auditors' Report of even date to the members of Pudumjee Paper Products Limited on the financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. No material discrepancies were noticed on such physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act to the extent notified. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, professional tax, income tax, sales tax, goods and service tax, and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of duty of excise, as at March 31, 2019, which have not been deposited on account of a dispute, are as follows:

Sr. No.	Nature of the Dues	Amount (₹ in lakhs)	Forum where the dispute is Pending
1.	Excise	20.96	CESTAT Mumbai
2.	Excise	0.77	Asst. Commissioner, central excise Dept.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government as at the balance sheet date.
- ix. During the year ended March 31, 2019, the Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

Place : Mumbai
Date : 24th May, 2019.

For J M Agrawal & Co.
Firm Registration Number : 100130W
Chartered Accountants

Punit Agrawal
Partner
Membership Number: 148757

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in the Independent Auditors' Report of even date to the members of Pudumjee Paper Products Limited on the financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Pudumjee Paper Products Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place : Mumbai
Date : 24th May, 2019.

For J M Agrawal & Co.
Firm Registration Number : 100130W
Chartered Accountants

Punit Agrawal
Partner
Membership Number: 148757

BALANCE SHEET AS AT 31ST MARCH, 2019

(All amounts in INR Lakhs unless otherwise stated)

	Notes	31-Mar-19	31-Mar-18
ASSETS			
Non-current assets			
Property, plant and equipment	3	13,762.94	13,534.25
Capital work-in-progress	3	4,220.46	3,166.44
Goodwill	3	7,793.05	7,793.05
Intangible assets under development	3	0.70	1.38
Other intangible assets	3	34.88	33.00
Financial assets			
(i) Investments	4(a)	4.75	0.25
(ii) Other financial assets	4(g)	49.49	17.64
Other non-current assets	5	1,688.75	1,899.02
Total non-current assets		27,555.02	26,445.03
Current assets			
Inventories	6	9,457.35	6,821.70
Financial assets			
(i) Investments	4(b)	2,378.24	2,031.39
(ii) Trade receivables	4(c)	6,766.39	6,258.66
(iii) Cash and cash equivalents	4(e)	341.26	362.20
(iv) Bank balances other than (iii) above	4(f)	405.86	1,103.95
(v) Loans	4(d)	225.00	303.32
(vi) Other financial assets	4(g)	71.84	104.42
Other current assets	7	617.66	451.63
Advance Income tax (net)	13	513.93	531.92
Assets classified as held for sale	8	62.85	-
Total current assets		20,840.38	17,969.19
Total assets		48,395.40	44,414.22
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9(a)	949.50	949.50
Other equity			
Reserves and surplus	9(b)	24,859.39	23,319.30
Total equity		25,808.89	24,268.80
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
(i) Borrowings	10(a)	6,897.70	2,589.97
Provisions	10(e)	479.72	450.84
Employee benefit obligations	11	697.75	1,147.64
Deferred tax liabilities (net)	12	2,457.32	2,100.32
Total non-current liabilities		10,532.49	6,288.77
Current liabilities			
Financial liabilities			
(i) Borrowings	10(b)	300.03	135.04
(ii) Trade payables	10(d)		
a. Dues of micro and small enterprises		56.77	-
b. Dues of other than micro and small enterprises		8,227.95	7,534.92
(iii) Other financial liabilities	10(c)	2,360.28	5,150.34
Employee benefit obligations	11	588.29	378.23
Other current liabilities	14	520.70	658.12
Total current liabilities		12,054.02	13,856.65
Total liabilities		22,586.51	20,145.42
Total equity and liabilities		48,395.40	44,414.22

The accompanying notes are an integral part of the financial statements
As per our report of date attached

For and on behalf of the board of directors of
Pudumjee Paper Products Limited

For J M AGRAWAL & CO.
Firm Registration No - 100130W
Chartered Accountants

V. K. BESWAL
Director

A. K. JATIA
Executive Chairman

PUNIT AGRAWAL
Partner
Membership No. 148757
Place : Mumbai
Date : 24th May, 2019

VINAY JADHAV
Company Secretary
H. P. BIRLA
Chief Financial Officer

DR. ASHOK KUMAR
Executive Director

Place : Mumbai
Date : 24th May, 2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts in INR Lakhs unless otherwise stated)

	Notes	31-Mar-19	31-Mar-18
Revenue			
Revenue from operations	15	58,952.13	50,622.87
Other income (net)	16	326.09	324.15
Total income		59,278.22	50,947.02
Expenses			
Cost of materials consumed	17(a)	34,761.18	27,382.97
Purchases of stock-in-trade		1,380.18	2,646.34
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17(b)	436.03	(815.52)
Excise duty on sale of Goods		-	690.52
Employee benefit expense	18	4,548.99	4,096.49
Power, Fuel & Water expenses		8,784.67	8,175.38
Net foreign exchange loss / (gain)		387.30	(178.53)
Depreciation and amortisation expense	19	725.07	660.70
Other expenses	20	4,896.99	4,380.94
Finance costs	21	795.74	903.87
Total expenses		56,716.15	47,943.16
Profit before tax		2,562.07	3,003.86
Income tax expense	22		
- Current tax		551.00	573.54
- Deferred tax		336.83	515.62
Total tax expense		887.83	1,089.16
Profit for the year		1,674.24	1,914.70
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss			
- Remeasurements of post-employment benefit obligations	11(aa)	57.72	56.01
- Income tax relating to these items	12(b)	(20.17)	(19.38)
Other comprehensive income for the year, net of tax		37.55	36.63
Total comprehensive income for the Period		1,711.79	1,951.33
Earning per equity share:(Face value ₹ 1 per share)			
(1) Basic	30	1.76	2.02
(2) Diluted	30	1.76	2.02

The accompanying notes are an integral part of the financial statements

As per our report of date attached

For and on behalf of the board of directors of
Pudumjee Paper Products Limited

For J M AGRAWAL & CO.
Firm Registration No - 100130W
Chartered Accountants

V. K. BESWAL
Director

A. K. JATIA
Executive Chairman

PUNIT AGRAWAL
Partner
Membership No. 148757
Place : Mumbai
Date : 24th May, 2019

VINAY JADHAV
Company Secretary
H. P. BIRLA
Chief Financial Officer

DR. ASHOK KUMAR
Executive Director
Place : Mumbai
Date : 24th May, 2019

STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2019

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-19	31-Mar-18
Cash flow from operating activities		
Profit before taxation	2,562.07	3,003.86
Adjustments for:		
Depreciation and amortisation	725.07	660.70
(Profit) / loss on sale of Assets /investments (net)	6.40	(58.23)
Dividend income	(77.43)	(491.24)
Remeasurements of post-employment benefit obligations	57.72	56.01
Interest income	(243.92)	(211.75)
Finance costs	795.74	903.87
Loss on sale of investment	-	437.95
Provision for doubtful debts	10.04	126.62
Unwinding of Financial Liability	8.53	12.21
	1282.15	1,436.14
Operating profit before working capital changes	3,844.22	4,440.00
Change in operating assets and liabilities		
(Increase)/ decrease in other non current financial assets	(31.85)	3.57
(Increase)/ decrease in other non current assets	210.27	(1,746.14)
(Increase)/ decrease in inventories	(2,635.65)	(1,491.17)
(Increase)/decrease in trade receivables	(510.15)	(273.97)
(Increase)/decrease in other current financial assets	801.38	(1,117.39)
(Increase)/ decrease in other current assets	(166.03)	1,148.16
Increase/(decrease) in non current employee benefit obligations	(449.89)	(64.75)
Increase/(decrease) in trade payables	778.68	2,307.60
Increase/ (decrease) in other current financial liabilities	137.31	(540.51)
Increase/ (decrease) in current employee benefit obligations	73.49	323.55
Increase/ (decrease) in other current liabilities	(137.42)	333.61
	(1,929.86)	(1,117.44)
Cash generated from operations	1,914.36	3,322.56
Income taxes paid (net of refunds)	(523.10)	(890.98)
Net cash inflow from operating activities	1,391.26	2,431.58

STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2019 (contd.)

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-19	31-Mar-18
Cash flow from investing activities		
Purchase of tangible/intangible assets including capital work in progress	(2,110.44)	(1,437.18)
Sale of tangible/intangible assets	32.20	213.30
Sale of investments	-	1,039.93
Purchase of investments	(346.85)	(1,000.00)
Interest income	234.01	207.87
Dividend income	77.43	61.72
Net cash used in investing activities	(2,118.15)	(932.30)
Cash flow from financing activities		
Interest paid	(980.35)	(779.46)
Proceeds of short-term borrowings	165.05	8.80
Proceeds of long-term borrowings	5,464.94	1,003.85
Proceeds of finance lease liability	53.00	-
Repayment of short-term borrowings	(0.06)	(518.24)
Repayment of long-term borrowings	(3,824.93)	(1,306.67)
Dividend on equity shares and tax thereon	(171.70)	(171.42)
Net cash used in financing activities	705.95	(1,763.14)
Net increase/(decrease) in cash and cash equivalents	(20.94)	(263.86)
Cash and cash equivalents at the beginning of the financial year	362.20	626.06
Cash and cash equivalents at the end of the financial year	341.26	362.20

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.
2. Prior year comparatives have been reclassified to conform with current year's presentation, where applicable.
3. For details of Cash and cash equivalents refer note 4(e).

The accompanying notes are an integral part of the financial statements

As per our report of date attached

For and on behalf of the board of directors of
Pudumjee Paper Products Limited

For J M AGRAWAL & CO.
Firm Registration No - 100130W
Chartered Accountants

V. K. BESWAL
Director

A. K. JATIA
Executive Chairman

PUNIT AGRAWAL
Partner
Membership No. 148757
Place : Mumbai
Date : 24th May, 2019

VINAY JADHAV
Company Secretary
H. P. BIRLA
Chief Financial Officer

DR. ASHOK KUMAR
Executive Director

Place : Mumbai
Date : 24th May, 2019

Statement of changes in equity

(All amounts in INR Lakhs unless otherwise stated)

Particulars	Notes	Other Equity					Total other equity
		Equity share capital	Reserves & Surplus				
			Capital reserve	Securities premium	Retained earnings	General reserve	
Balance as at April 1, 2017		949.50	17,945.50	95.00	3,098.89	400.00	21,539.39
Profit for the year	9(b)				1,914.70		1,914.70
Fair value changes on cash flow hedge, net of tax	9(c)						-
Remeasurement of net defined benefit liability / asset, net of tax effect	9(b)				36.63		36.63
Total comprehensive income for the year					1,951.33	-	1,951.33
Transaction with owners in their capacity as owners:							
Dividends paid (incl. tax on Dividend)	9(b)				(171.42)		(171.42)
Transfer to general reserve	9(b)				(200.00)	200.00	-
Balance as at March 31, 2018		949.50	17,945.50	95.00	4,678.80	600.00	23,319.30
Profit for the year	9(b)				1,674.24		1,674.24
Remeasurement of net defined benefit liability / asset, net of tax effect	9(b)				37.55		37.55
Total comprehensive income for the year					1,711.79	-	1,711.79
Transaction with owners in their capacity as owners:							
Dividends paid (incl. tax on Dividend)	9(b)				(171.70)		(171.70)
Transfer to general reserve	9(b)				(200.00)	200.00	-
Balance as at March 31, 2019		949.50	17,945.50	95.00	6,018.89	800.00	24,859.39

Note: The nature and purpose of each reserves is disclosed in notes. Refer Note 9 (c)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

For and on behalf of the board of directors of
Pudumjee Paper Products Limited

For J M AGRAWAL & CO.
Firm Registration No - 100130W
Chartered Accountants

PUNIT AGRAWAL
Partner
Membership No. 148757
Place : Mumbai
Date : 24th May, 2019

V. K. BESWAL
Director

VINAY JADHAV
Company Secretary
H. P. BIRLA
Chief Financial Officer

A. K. JATIA
Executive Chairman

DR. ASHOK KUMAR
Executive Director
Place : Mumbai
Date : 24th May, 2019

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Note 1 : General Information

Pudumjee Paper Products Limited (the “Company”) The Company, mainly belongs to Paper Industry and operates in Speciality Paper segment for Wrapping and Food Grade Packaging Paper, household and Sanitary Paper etc. The Company's manufacturing facilities located at Thergaon, Pune produces wide range of Speciality Papers of varying basis weight and is ably supported by a dedicated team and country wide network of distribution channels. Manufacturing tailor made products of varying properties to suit various applications in a short and committed period of delivery is Company's hallmark. Such applications (with more possibilities for inclusion), can be broadly categorized as 1) Opaque Laminating Base used for Laminating, printing, packaging, Chocolate and Toffee wrapping 2) Glassine for packing of food products soaps etc. 3) Base paper for melamine tableware, Paper for decorative laminates for furniture 4) Bible Printing Paper used in Printing of Bible, Dictionary, Books, pharma leaflets (inserts & outserts) 5) Vegetable parchment paper for packing of butter, cheese etc. 6) Kraft paper used as release liner for labels, Interleaving for steel and Glass industry etc. 7) Tissue paper used as napkins, kitchen towel, Toilet rolls products and several others.

The Hygiene Products Division of the Company markets its Away-from-Home converted tissue products such as Bathroom roll, Kitchen towel, Napkins, dispensers etc. under well received brand name ‘Greenlime’ and mainly focuses on institutional buyers, comprising Luxury Hotels, Airports, Corporate Offices etc.

The Company is public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on May 24, 2019.

Note 2 : Summary of significant accounting policies

a. Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within the operating cycle or twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within the operating cycle or twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Provisions where timing of cash out-flow is not certain is classified as non-current.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

c. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligator in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes, goods and service tax and amounts collected on behalf of third parties. Insurance/freight charged on sales and recovered is included in revenue as a part of Other operating revenue.

Goods are often sold with retrospective volume discounts based on aggregate sale over the contract period. Revenue from these sales is based on the price specified in the sales contracts, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts. A refund liability (included in other financial liability) is recognised for expected volume discounts payable to customers in relation to sales made until the end of reporting period.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

No element of financing is deemed present as the sales are made with a credit term consistent with market practice. Further the Company charges interest to customers on delayed payment, if any.

Export incentive:

Export incentive related to export of goods, is recognised as income when the right to receive such incentive is established in principle, i.e. at the time of export sale is complete.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in Other income in the statement of profit and loss.

Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established.

d. Property, plant and equipment

Property, plant and equipment, Capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Asset Category	Useful Life considered	Useful life as per Schedule II
Factory Building	30	30
Factory Building (on lease hold land)	8.5	30
plant & Machinery	25	25
plant & Machinery (used in generation, transmission & distribution of power)	40	40
Data Processing Units	3	3
Computer software	6	6
Laboratory Equipment	10	10
Vehicles (Two Wheelers)	10	10
Vehicles	8	8
Furniture & fixtures (office Equipment)	5	5
Furniture & fixtures	10	10

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

The Company, based on technical assessment made by technical expert and management estimate, depreciates all the assets over estimated useful life which is also the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible Assets

Goodwill

The goodwill represent arising on demerger prior to Ind AS transition. The Company has availed exemption available in Ind AS 101 from retrospective application of Ind AS 103 Business Combination.

Goodwill is not allocated to any single cash-generating units or segment. Management monitors goodwill at the Company level. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Patents, copyrights and other rights

Separately acquired patents and copyrights as well as internally developed ones are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Separately acquired software are recorded as intangible assets and amortised from the point at which the asset is available for use.

Research and development

Research expenditure and development expenditure that do not meet the recognition criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation methods and periods

The group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Patents, copyrights and other rights : 10 years

Computer software : 6 years

e. Inventory

Inventory comprises of stock of raw material, finish goods, traded goods, work-in-progress, consumables, packing material, and stores. Inventory is valued at cost or net realizable value whichever is lower.

Cost of raw materials, consumables, packing material, stores and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

f. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

g. **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly stated in the arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

h. **Taxes**

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss of the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rate enacted or substantially enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which those can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

i. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

j. Provisions and Contingent liability

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed in the Notes. Contingent liabilities are disclosed for

- i. possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- ii. present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

k. Employee benefits

Short-term obligations

Short-term employee benefit are expensed as the related service is provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within one year after the end of the period in which the employees render the related service are the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

Post-employment obligations

The Company operates the following post-employment schemes:

- i. defined benefit plans such as gratuity, pension, and

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

- ii. defined contribution plans such as provident fund, superannuation fund.

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

I. Financial instruments

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value.

The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. The Company classifies its financial assets in the following measurement categories:

- i. those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),
- ii. those measured at amortised cost, and

Subsequent measurement

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. All other financial assets are measured at amortised cost, using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss financial assets that are not fair valued.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

The Company follows 'simplified approach' for recognition of impairment loss for trade receivables that have no significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized, is recognized under the head 'other expenses' in the statement of profit and loss.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

De-recognition of financial assets

The Company derecognizes a financial asset when -

- i. the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under IND AS 109.
- ii. it retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

Financial liabilities

Initial recognition

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within one year after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Borrowings are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least one year after the reporting period.

m. Earnings per share

The basic earnings per share is computed by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company does not have any potential equity share or warrant outstanding for the periods reported, hence diluted earnings per share is same as basic earnings per share of the Company.

n. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company, assesses the financial performance and position of the Company, and makes strategic decisions. The Board of Directors is therefore considered to be the chief operating decision maker.

o. Standards issued but not yet effective

Ind AS 116 - Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

The effect of adoption as on 1.04.2019 would majorly result in an increase in Right of use asset and corresponding increase in lease liability. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 - Income Taxes:

1) Introduction of Appendix C :

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would not be material.

2) In connection with accounting for dividend distribution taxes :

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 19 - Employee Benefits:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19 in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

Amendments to Ind AS 109 - Financial Instruments:

1) Classification of a financial instruments with prepayment feature with negative compensation:

Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments. According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

2) Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. According to the amendments, Ind AS 109 should be applied to the financial instruments, including long-term interests in associates and

joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

The Company is currently evaluating the effect of this amendment on the financial statements.

p Critical estimated and judgements

i Goodwill

Goodwill is tested for impairment at least annually or when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value. The recoverable amount is higher of value-in-use and fair value less cost to sell. The calculation involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions. Also refer note 31.

ii Defined benefit obligation

The cost of the defined benefit plans and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, employee turnover rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Also refer note 11.

iii Impairment of Trade receivables & Other financial assets

The impairment allowance for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Assumptions are reviewed at each reporting date. Refer note 24(a).

iv Income Taxes

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

v Estimation of provision for Electricity surcharge

Maharashtra State Electricity Distribution Company Limited (MSEDCL) had levied in the bills raised on the Company, Cross Subsidy Surcharge (CSS) and Additional Surcharge (ASC) on power purchased from outside vendor under group captive mechanism. The matter is sub judice being disputed before appropriate authorities. Based on management's estimate, no provision has been made in the books against the said demand. The matter is disclosed and further explained in Note 28.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED
MARCH 31, 2019 (Contd.)**

NOTE 3 (a) : Property, Plant & Equipment, Capital Work in Progress, Goodwill, Other Intangible Assets, Intangible Assets under Development

(All amounts in INR Lakhs unless otherwise stated)

TYPE OF ASSETS	Gross Block			Accumulated depreciation, impairment, amortisation				Net Block		
	As at 31-03-2018	Additions during the year	Deductions during the Year	As at 31-03-2019	Charge for the Year	Disposal / Adjustment during the Year	Impairment Charge during the Year	As at 31-03-2019	Value As at 31-03-2019	Value As at 31-03-2018
Property, Plant & Equipment										
Land - Leasehold	1,272.14	-	-	1,272.14	17.68	-	-	51.99	1,220.15	1,237.83
Buildings (On leasehold land)	2,964.83	-	2.10	2,962.73	114.40	2.10	-	283.34	2,679.39	2,793.79
Plant & Machinery	10,118.70	913.13	98.86	10,932.97	497.63	35.35	-	1,515.32	9,417.65	9,065.66
Data Processing Units	62.85	29.68	0.03	92.50	13.29	0.31	-	40.75	51.75	35.08
Laboratory Equipments	60.67	0.32	-	60.99	7.01	-	-	18.62	42.37	49.06
Furniture & Fixtures	90.30	17.67	1.03	106.94	17.45	0.31	-	47.29	59.65	60.15
Vehicles	367.80	87.65	89.16	366.29	50.95	51.76	-	74.31	291.98	292.68
Total Property, Plant & Equipment	14,937.29	1,048.45	191.18	15,794.56	718.41	89.83	-	2,031.62	13,762.94	13,534.25
Capital Work in Progress	3,166.44	1,054.02	-	4,220.46	-	-	-	-	4,220.46	3,166.44
Goodwill **	7,793.05	-	-	7,793.05	-	-	-	-	7,793.05	7,793.05
Other Intangible Assets										
Patents, copyrights and other rights	80.29	0.68	-	80.97	1.54	-	-	76.28	4.69	5.55
Computer Software	37.12	7.97	0.10	44.99	5.13	-	-	14.80	30.19	27.45
Total Other Intangible Assets	117.41	8.65	0.10	125.96	6.67	-	-	91.08	34.88	33.00
Intangible Assets under Development	1.38	-	0.68	0.70	-	-	-	-	0.70	1.38
Grand Total	26,015.57	2,111.12	191.96	27,934.73	725.08	89.83	-	2,122.70	25,812.03	24,528.12
Previous year	24,705.61	3,060.11	1,750.15	26,015.57	660.70	112.09	-	1,487.45	24,528.12	23,766.77

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

NOTE 3 (b) : Additional disclosure

TYPE OF ASSETS	Gross Block As at 31-03-2018	Accumulated Depreciation 31-03-2018	Net Block As at 31-03-2018	Gross Block As at 31-03-2019	Accumulated Depreciation 31-03-2019	Net Block As at 31-03-2019
Property, Plant & Equipment						
Land - Leasehold	1,336.59	98.76	1,237.83	1,336.59	116.44	1,220.15
Buildings (On leasehold land)	2,988.13	194.34	2,793.79	2,986.03	306.64	2,679.39
Plant & Machinery	28,434.68	19,369.02	9,065.66	29,248.95	19,831.30	9,417.65
Data Processing Units	335.86	300.78	35.08	365.51	313.76	51.75
Laboratory Equipments	92.36	43.30	49.06	92.68	50.31	42.37
Furniture & Fixtures	641.58	581.43	60.15	658.22	598.57	59.65
Vehicles	477.59	184.91	292.68	476.08	184.10	291.98
Total Property, Plant & Equipment	34,306.79	20,772.54	13,534.25	35,164.06	21,401.12	13,762.94
Capital Work in Progress	3,166.44	-	3,166.44	4,220.46	-	4,220.46
Goodwill	7,793.05	-	7,793.05	7,793.05	-	7,793.05
Other Intangible Assets						
Patents, copyrights and other rights	195.16	189.61	5.55	195.84	191.15	4.69
Computer Software	178.92	151.47	27.45	186.79	156.60	30.19
Total Other Intangible Assets	374.08	341.08	33.00	382.63	347.75	34.88
Intangible Assets under Development	1.38	-	1.38	0.70	-	0.70
Grand Total	45,641.74	21,113.62	24,528.12	47,560.90	21,748.87	25,812.03

NOTE 3 (c) : Capital Work in Progress

Capital Work in progress mainly includes building & machinery at Mahad and new projects at Pune plant.

NOTE 3 (d) : Property, plant and equipment hypothecated as security

Refer to note 10(a) for information on property, plant and equipment hypothecated as security by the company.

NOTE 3 (e) : Contractual obligations

Refer to note 29(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED
MARCH 31, 2019 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
NOTE 4 : FINANCIAL ASSETS		
4 (a) Non Current investments		
2,500 (31 March 2018 : 2,500) equity shares of Saraswat Co-Operative Bank of ₹ 10 each fully paid	0.25	0.25
4,999 (31 March 2018 : Nil) equity shares of Mitcon Solar Alliance Limited of ₹ 10 each fully paid	0.50	-
4,002 (31 March 2018 : Nil) equity shares of MMA CETP Co-Op Society Limited of ₹ 10 each fully paid	4.00	-
Total	4.75	0.25
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	4.75	0.25
Aggregate amount of impairment in the value of investments	-	-
4 (b) Current investments		
Investment in equity instruments (unquoted) (at fair value)		
15,92,073 (31 March 2018 : 15,92,073) equity shares of Sai Wardha Power Generation Limited of ₹ 10 each fully paid *	159.21	159.21
Total	159.21	159.21
Investment in mutual funds Unquoted (at fair value)		
59,381 (31 March 2018: 49,091) units in Reliance Liquid Fund	908.14	750.90
48,62,964 (31 March 2018: Nil) units in L & T Arbitrage opportunities fund	500.79	-
79,947 (31 March 2018: 50,480) units in L & T Mutual Fund	810.10	511.60
Nil (31 March 2018: 36,398) units in SBI Magnum Instacash Fund	-	609.68
Total	2,219.03	1,872.18
Total current investments	2,378.24	2,031.39
Aggregate amount of unquoted investments	2,378.24	2,031.39

* This investment represent investment in class A equity shares of Sai Wardha Power Generation Limited (SWPGL), that gives the Company entitlement to purchase power from SWPGL. As per the share purchase agreement, the Company cannot sell these shares to any person without prior written approval from KSK Energy Ventures Limited (KSK, holding company of SWPGL). Further at the time of completion/termination of the power supply agreement, SWPGL either will arrange the buy-back of these shares or will arrange to transfer the shares to KSK's nominee for a total consideration that is equal to its cost of acquisition to the Company (i.e. ₹ 10/- per share). Hence, for the Company the fair value of this investment is same as its cost/carrying amount.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
NOTE 4 : FINANCIAL ASSETS (Contd.)		
4(c) Trade receivables		
Trade receivables	7,454.46	6,944.19
Receivables from related parties (refer note 27)	-	0.12
Less: Allowance for doubtful debts	(688.07)	(685.65)
Total receivables	<u>6,766.39</u>	<u>6,258.66</u>
Current portion	<u>6,766.39</u>	<u>6,258.66</u>
Non-current portion	-	-
Break-up of security details		
Secured, considered good	893.73	45.50
Unsecured, considered good	5,872.66	6,213.16
Trade receivables which have significant increase in credit risk	194.97	180.91
Trade receivables - credit impaired	493.10	487.22
Total	<u>7,454.46</u>	<u>6,926.79</u>
Less: Allowance for trade receivables with credit risk	<u>(194.97)</u>	<u>(180.91)</u>
Less: Allowance for trade receivables credit impaired	<u>(493.10)</u>	<u>(487.22)</u>
	<u>6,766.39</u>	<u>6,258.66</u>
1. No amounts are receivable from directors or other officers of the company either severally or jointly with any other person.		
2. Amounts receivable from firms or private companies in which any director is a partner, a director or a member - ₹ Nil (March 31, 2018 - ₹ Nil)		
4(d) Loans		
Current		
Unsecured, considered good		
Loan to Related Parties	-	2.36
Loan to Others	225.00	300.96
Loan receivables which have significant increase in credit risk		
Loan to Others	34.99	34.99
Less: Allowance for loan receivable with credit risk	(34.99)	(34.99)
Loan receivables- Credit impaired		
Loan to Others	-	-
Less: Allowance for loan receivables credit impaired	-	-
Total	<u>225.00</u>	<u>303.32</u>
4(e) Cash and cash equivalents		
Balances with banks		
- in current accounts	194.93	162.11
- in EEFC accounts	34.38	98.16
- in Other accounts	43.86	29.63
- in Unpaid Dividend Account	8.59	5.04
Deposits with original maturity of less than three months	3.15	6.17
Cash on hand	5.21	6.64
Cheque on hand	51.14	54.45
Total	<u>341.26</u>	<u>362.20</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
NOTE 4 : FINANCIAL ASSETS (Contd.)		
4(f) Other Bank Balances		
Deposits with original maturity of more than twelve months	91.62	370.61
Margin Money Deposits **	314.24	733.34
Total	<u>405.86</u>	<u>1,103.95</u>
** Margin money deposits are subject to first charge to secure the Company's working capital Loans		
4(g) Other financial assets		
Non Current		
Security deposits	49.49	17.64
Total	<u>49.49</u>	<u>17.64</u>
Current		
Accrued Interest receivables	3.40	27.72
Other advances	3.54	7.82
Security deposits	64.90	68.88
Total	<u>71.84</u>	<u>104.42</u>
NOTE 5: OTHER NON-CURRENT ASSETS		
Capital advances	1,688.75	1,899.02
Total	<u>1,688.75</u>	<u>1,899.02</u>
NOTE 6: INVENTORIES		
Raw materials (including goods in transit ₹ 1504.46 lacs (31 March 2018 : ₹ 350.40 lacs)	5,349.33	3,027.81
Work-in-progress	884.77	609.80
Finished goods	1,559.83	2,237.90
Traded goods	120.29	153.22
Stores and spares (including goods in transit ₹ 107.97 lacs (31 March 2018 : ₹ 2.81 lacs)	1,543.13	792.97
Total	<u>9,457.35</u>	<u>6,821.70</u>

Amounts recognised in profit or loss:

Write-downs of inventories to net realisable value amounted to ₹ Nil (31 March 2018 ₹ 96.69). These were recognised as an expense during the year and included in '(increase)/decrease in inventories' in statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
NOTE 7: OTHER CURRENT ASSETS		
Input VAT/GST Recoverable	20.73	232.10
Advances to employees	1.16	2.33
Advances to suppliers	428.49	125.68
Prepaid expenses	167.28	91.52
Total	<u>617.66</u>	<u>451.63</u>

NOTE 8: ASSETS CLASSIFIED AS HELD FOR SALE

Building	-	-
Disposal group	62.85	-
Total	<u>62.85</u>	<u>-</u>

In January 2019, the management of the Company decided to sell certain items of machines that were used for paper manufacturing. The sale is expected to be completed within a year. The assets are presented within total assets of the Paper manufacturing segment. The machineries classified as held for sale during the reporting period are measured at its carrying amount, being lower than fair value less costs to sell at the time of the reclassification. The fair value of the machines was determined using the comparative price approach. This is a level 2 measurement as per the fair value hierarchy set out in fair value measurement disclosures (note 23). The key inputs under this approach are price of new item of equivalent machinery, adjusted for its condition & residual life.

NOTE 9 (a) : EQUITY SHARE CAPITAL

(i) Authorised equity share capital		
10,00,00,000 equity shares of ₹ 1 each	1,000.00	1,000.00
(10,00,00,000 and 10,00,00,000 shares of ₹ 1 each at 31 March 2018)	<u>1,000.00</u>	<u>1,000.00</u>
(ii) Issued, subscribed and Paid up :		
9,49,50,000 equity shares of ₹ 1 each	949.50	949.50
(9,49,50,000 shares of ₹ 1 each at 31 March 2018)	<u>949.50</u>	<u>949.50</u>
(iii) Terms/Rights attached to Equity Shares :		

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim Dividend.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED
MARCH 31, 2019 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19		31-Mar-18	
(iv) Details of shareholders holding more than 5% shares in the company				
	Number of	%	Number of	%
	Shares	Holding	Shares	Holding
	(In Lakhs)		(In Lakhs)	
3P Land Holdings Limited	170.59	17.97%	168.14	17.71%
Thacker and Co.Ltd	129.15	13.60%	129.15	13.60%
Suma Commercial Pvt. Ltd.	103.09	10.86%	103.09	10.86%
Yashvardhan Jatia Trust	96.75	10.19%	96.75	10.19%

Note 9 (b) : Reserves and surplus

	31-Mar-19	31-Mar-18
Securities premium	95.00	95.00
General Reserves	800.00	600.00
Capital Reserve	17,945.50	17,945.50
Retained earnings	6,018.89	4,678.80
Total	24,859.39	23,319.30
(i) Securities premium reserve		
	31-Mar-19	31-Mar-18
Opening balance	95.00	95.00
Movement during the year	-	-
Closing balance	95.00	95.00
(ii) General Reserves		
	31-Mar-19	31-Mar-18
Opening balance	600.00	400.00
Add: Transfer from retained earning	200.00	200.00
Closing balance	800.00	600.00
(iii) Capital Reserve		
	31-Mar-19	31-Mar-18
Opening balance	17,945.50	17,945.50
Movement during the year	-	-
Closing balance	17,945.50	17,945.50
(iv) Retained earnings		
	31-Mar-19	31-Mar-18
Opening balance	4,678.80	3,098.89
Net profit for the period	1,674.24	1,914.70
Items of other comprehensive income recognised directly in retained earnings	37.55	36.63
Transfer to General reserve	(200.00)	(200.00)
Dividends	(142.43)	(142.43)
Tax on Dividend	(29.27)	(28.99)
Closing balance	6,018.89	4,678.80

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

Note 9 (c) : Reserves and surplus - Additional disclosures

(i) **Securities premium reserve:**

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) **General Reserve:**

General Reserve is a free reserve and it represents amount transferred from retained earning.

(iii) **Capital reserve:**

Capital reserve was created on account of demerger, as per scheme approved by High court.

(iv) **Retained earnings:**

Retained earnings comprises of the Company's undistributed earnings after taxes.

NOTE 10: FINANCIAL LIABILITIES

10(a) Non-current borrowings

	31-Mar-19	31-Mar-18
Secured		
Term loans		
From banks		
Term loan-2	163.16	825.58
Term loan-3	1,086.35	-
Term loan-4	346.63	-
Term loan-5	1,249.70	-
Term loan-6	616.22	-
From financial institutes		
Vehicle loan - 2	69.12	102.30
Vehicle loan - 3	38.66	-
Total Secured loans	<u>3,569.84</u>	<u>927.88</u>
Unsecured		
Public Deposits	2,830.95	1,003.45
Deferred sales tax loan	496.91	658.64
Total unsecured loan	<u>3,327.86</u>	<u>1,662.09</u>
Total non-current borrowings	<u>6,897.70</u>	<u>2,589.97</u>
Current Maturities		
Secured		
Term loans		
From banks		
Term loan-1	-	373.94
Term loan-2	667.20	667.20
Term loan-4	100.00	-
Term loan-6	135.00	-
From financial institutes		

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
Vehicle loan - 1	-	6.22
Vehicle loan - 2	33.19	30.35
Vehicle loan - 3	12.21	-
Unsecured		
Public Deposits	-	2,439.53
Deferred sales tax loan	161.72	198.27
Total current maturities	1,109.32	3,715.51
Amount disclosed under the note 10(c) Other financial liabilities	<u>1,109.32</u>	<u>3,715.51</u>
Net amount	-	-

Notes :

- a) Term loan - 1 carries interest at (Prime lending rate) PLR - 4.75% p.a. Loan amount is repayable in quarterly instalments of ₹ 125 lakhs (excluding interest) starting from February 2014 till November 2018.
- b) Term loan - 2 carries interest at (Prime lending rate) PLR - 4.75% p.a. Loan amount is repayable in 11 quarterly instalments of ₹ 166.80 lakhs (excluding interest) starting from July 2017 till November 2018 and last instalment of ₹ 165.20 lakhs in April 2020.
- c) Term loan - 3 from banks carries interest at (Prime lending rate) PLR -6.10 % p.a. Loan amount is repayable in equated quarterly installments after a moratorium period of 24 months from 1st disbursement. The term loan is secured by certain immovable properties to be purchase using this loan.
- d) Term loan - 4 carries interest at (Prime lending rate) PLR - 4.40% p.a. Loan amount is repayable in 20 quarterly instalments of ₹ 25.00 lakhs (excluding interest) starting from November 2018 till November 2023.
- e) Term loan - 5 carries interest at (Prime lending rate) PLR - 4.90% p.a. Loan amount is repayable in 11 quarterly instalments of ₹ 106.25 lakhs (excluding interest) starting from September 2020 till March 2023 and last instalment of ₹ 90.00 lakhs in June 2023.
- f) Term loan - 6 carries interest at (Prime lending rate) PLR - 4.90% p.a. Loan amount is repayable in 20 quarterly instalments starting from December 2019. The loan is secured against hypothecation of plant & machinery purchased therefrom.
- g) Term loan - 1, Term loan-2, Term Loan-4 & Term Loan -5 are secured by first pari passu charge of all plant & machinery (both present and future) and immovable properties of the Company.
- h) Vehicle loan 1 carries interest @ 10.70% p.a. Loan amount is repayable in 59 monthly instalments of ₹ 0.81 lakhs (including interest) from January 2014. Vehicle loan 2 carries interest @ 8.97% p.a. Loan amount is repayable in 60 monthly instalments of ₹ 3.42 lakhs (including interest) from February 2017. Vehicle loan 3 carries interest @ 9.22% p.a. Loan amount is repayable in 37 monthly instalments of ₹ 1.37 lakhs (including interest) from February 2019. The vehicle loans are secured against the respective vehicles.
- i) Public deposits : Public Deposits are unsecured deposits accepted from public, in compliance with provisions of Companies Act, 2013. The rate of interest is 9 % to 10 % p.a (31-03-2018 9% to 10%).
- j) Deferred sales tax loan : Deferred sales tax loan is interest free loan from the Government

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
10(b) Current borrowings		
Loans repayable on demand		
Secured		
Working capital loans from banks	264.68	99.63
Unsecured		
From related parties	35.35	35.41
From Others	-	-
Total Unsecured	35.35	35.41
Total	300.03	135.04

Notes:

- a) Working capital loan from banks is secured by first pari passu charge on entire current assets of the Company (both present and future) and second pari passu charge on all fixed assets of the Company and corporate guarantee of 3P Land Holdings Limited (formerly Pudumjee Industries Limited). The loans are repayable on demand and carries interest @ 9.55% - 10.50% p.a.
- b) Unsecured loans from related parties and others are repayable on demand and carries interest @ 11.25% (31-03-2018 11.25% p.a.)

10(c) Other financial liabilities

Current

Current maturities of long-term debt	947.60	1,077.71
Current maturities of Deferred sales Tax loan	161.72	198.27
Current maturities of Public Deposits	-	2,439.53
Employees Dues	378.69	515.26
Unclaimed Public deposits	32.32	20.26
Unclaimed Interest on Public deposits	7.10	6.58
Unclaimed dividend	8.59	5.04
Interest accrued but not due	74.85	259.46
Capital creditors	245.12	3.95
GST Payable	122.85	-
Refund Liabilities *(Note)	213.71	159.26
Other Financial Liabilities	167.73	465.02
Total	2,360.28	5,150.34

* Note :The company recognise refund liability for the expected quality claim settlements. Refund liabilities are recognised for volume discount payable to wholesale customers.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
10(d) Trade payables		
Current		
Trade payables	8,256.96	7,534.92
Trade payables to related parties	27.76	-
Total	<u>8,284.72</u>	<u>7,534.92</u>
(i) Total outstanding dues of micro & small enterprises	56.77	-
(ii) Total outstanding dues of creditors other than micro & small enterprises	8,227.95	7,534.92
Details of total outstanding dues of micro, small and medium enterprises:		
Particulars	31-Mar-19	31-Mar-18
(a) (i) Principal amount of outstanding dues to MSME	56.77	-
(ii) Interest on above outstanding amount	-	-
(b) Amount of interest paid in terms of section 16 of Micro, Small and Medium Enterprise Development Act, 2006 (27 of 2006), along with the payment made to the supplier beyond appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
Total	<u>56.77</u>	<u>-</u>
As at March 31, 2019 and March 31, 2018, there are no outstanding dues to Micro, Small and Medium Enterprises, other than the amount disclosed. There is no interest due or outstanding on the same.		

10(e) Provisions	31-Mar-19	31-Mar-18
Non Current		
Provisions against litigations	289.80	289.80
Other provisions	189.92	161.04
Total	<u>479.72</u>	<u>450.84</u>

Note : Information about individual provisions

(i) Provision against litigation:

Provision for disputed statutory liabilities comprises electricity duties matters under litigation with Electricity department, government of Maharashtra.

The amount of provisions made by the Company is based on the estimates made by the Management considering the facts and circumstances of each case. To the extent the Company is confident that it has a strong case, that portion is disclosed under contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

The timing and the amount of cash flows that will arise from these matters will be determined by the Appellate Authorities only on settlement of these cases.

(ii) Other provision :

Other provision is for probable liability of electricity duty on power generated by the company. As on balance sheet date no demand has been raised on the company, but on prudent basis a provision has been recognised in compliance with Ind AS 37. The management estimates that no cash outflow is expected within 12 months from the balance sheet date, hence entire provision is classified as non current.

(iii) Movements in provisions :

Movements in provisions during the financial year, are set out below

	Amount
As at March 31, 2018	450.84
Additional provisions recognised	28.88
Unused amounts reversed	-
Amounts used during the year	-
As at March 31, 2019	479.72

NOTE 11: EMPLOYEE BENEFIT OBLIGATIONS

Non Current

Leave obligations	241.10	-
Defined pension benefits	122.25	107.13
Gratuity	334.40	1,040.51
Total	697.75	1,147.64

Current

Leave obligations	86.25	246.83
Defined pension benefits	17.40	17.40
Gratuity	484.64	114.00
Total	588.29	378.23

(i) Leave obligations :

The leave obligation covers the Company's liability for accumulated leaves that can be encashed or availed. The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

(ii) Defined benefit plans:

- a Gratuity - The Company provides for gratuity for employees as per the terms of employment. Employees who are in continuous service at least for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is calculated at the last drawn monthly basic salary multiplied by 15 days salary for each completed years of service of the employee. The scheme is funded with Life Insurance Corporation of India (LIC).

In addition, employees who have completed 20 years of service are eligible to additional gratuity computed at last drawn monthly basic salary multiplied by 7 days salary for each completed years of service of the employee. The additional gratuity benefit is unfunded.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED
MARCH 31, 2019 (Contd.)**

(All amounts in INR Lakhs unless otherwise stated)

Pension - The Company operates defined benefit pension plan for the Managing Director. The amount of pension per month is a fixed amount. The benefit is payable to the Director after he retires and is payable during his life time and thereafter is payable to his spouse, if she is alive. The Company has not funded the liability.

aa **The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:**

Particulars	Gratuity			Pension		
	Present value of obligation	Fair value of plan assets	Net liability amount	Present value of obligation	Fair value of plan assets	Net liability amount
April 1, 2017	1,327.60	(202.16)	1,125.44	104.35	-	104.35
Current service cost	94.82	-	94.82	6.92	-	6.92
Past service cost	-	-	-	-	-	-
Interest expense / (income)	92.69	(12.34)	80.35	7.83	-	7.83
Total amount recognised in profit and loss	187.51	(12.34)	175.17	14.75	-	14.75
Remeasurements						
Return on plan assets	-	-	-	-	-	-
(Gain) / loss from change in demographic assumptions	-	-	-	-	-	-
(Gain) / loss from change in financial assumptions	(64.23)	-	(64.23)	(1.65)	-	(1.65)
Experience (gains) / losses	(0.98)	3.76	2.78	7.09	-	7.09
Change in asset ceiling	-	-	-	-	-	-
Total amount recognised in OCI	(65.21)	3.76	(61.45)	5.44	-	5.44
Contributions - employer	-	(52.64)	(52.64)	-	-	-
Benefit payments	104.61	(72.60)	32.01	-	-	-
April 1, 2018	1,345.29	(190.78)	1,154.51	124.54	-	124.54
Current service cost	89.89	-	89.89	7.35	-	7.35
Past service cost	-	-	-	-	-	-
Interest expense / (income)	100.96	(11.38)	89.58	9.71	-	9.71
Total amount recognised in profit and loss	190.85	(11.38)	179.47	17.06	-	17.06
Remeasurements						
Return on plan assets	-	2.00	2.00	-	-	-
(Gain) / loss from change in demographic assumptions	(14.28)	-	(14.28)	-	-	-
(Gain) / loss from change in financial assumptions	(48.57)	-	(48.57)	(2.37)	-	(2.37)
Experience (gains) / losses	5.07	-	5.07	0.43	-	0.43
Change in asset ceiling	-	-	-	-	-	-
Total amount recognised in OCI	(57.78)	2.00	(55.78)	(1.94)	-	(1.94)
Contributions - employer	-	(424.51)	(424.51)	-	-	-
Contributions - employee /participant	-	-	-	-	-	-
Transfer in **	13.97	-	13.97	-	-	-
Benefit payments	144.92	(96.30)	48.62	-	-	-
March 31, 2019	1,347.41	(528.37)	819.04	139.66	-	139.66

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

The net liability disclosed above relates to funded plans. The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional contribution. The Group intends to contribute in line with the recommendations of the fund administrator and the actuary.

** One employee (Executive director-Mr.A.K.Jatia) has been transferred from payroll of AMJ Land Holdings Limited to payroll of the company during the year on August 1, 2018.

ab As at March 31, 2018 and March 31, 2019, plan assets were primarily invested in insurer managed funds.

ac Through its defined benefit plans, the group is exposed to number of risks, the most significant of which are detailed below:

Asset Volatility: The Plan liabilities are calculated using a discount rate set with reference to government bond yields. If plan assets underperform, this yield will create a deficit. The plan asset investments are in funds managed by insurer. These are subject to interest rate risk.

Changes in bond yield: A decrease in government bond yields will increase plan liabilities, although this may be partially offset by an increase in the returns from plan asset.

Defined benefit liability and employer contributions:

ad The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within the framework, the Company's ALM objective is to match assets to the gratuity obligations by investing in funds with LIC in the form of a qualifying insurance policy.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the process used to manage its risks from previous periods.

ae The Group expects to contribute ₹ 482 lakhs to the defined benefit plan during the next annual reporting period.

af The weighted average duration of the defined benefit obligation for gratuity and pension is 10.90 and 13.84 years respectively (2018: 14.50 and 14.62 years). The expected maturity analysis of undiscounted pension and gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31-Mar-19					
Defined benefit obligation gratuity	286.28	173.80	405.05	5,147.84	6,012.97
Defined benefit obligation pension	17.40	17.40	52.20	174.00	261.00
Total	303.68	191.20	457.25	5,321.84	6,273.97
31-Mar-18					
Defined benefit obligation gratuity	203.86	114.45	351.40	8,427.12	9,096.83
Defined benefit obligation pension	17.40	17.40	52.20	174.00	261.00
Total	221.26	131.85	403.60	8,601.12	9,357.83

The expected benefits are based on the same assumptions used to measure the Group's benefit obligations as of March 31, 2019.

b Provident fund : The Group makes contribution towards provident fund which is administered by the trustees. The contributions to the trust managed by the Company is accounted for as a defined benefit plan as the Company is liable for any shortfall in the fund assets based on the government specified minimum rates of return as provided under Para 60 of the Employees Provident Fund Scheme, 1972. The Group has obtained an actuarial valuation of the liability according to which there is no deficit as at the Balance Sheet Date. The liability therefore is restricted to monthly contributions. The details of fund and plan assets are given below:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
ba Present Value of Defined Benefit Obligation		
Balance as at the beginning of the year	1,469.83	1,431.95
Interest cost	110.67	100.52
Current service cost	97.24	101.74
Transfer in (from other company)	13.97	-
Benefit paid	(144.92)	(104.61)
Actuarial (gains)/losses	(59.72)	(59.77)
Balance as at the end of the year	1,487.07	1,469.83
bb Fair value of Plan Assets		
Balance as at the beginning of the year	190.78	202.16
Expected return on plan assets	11.38	12.34
Contributions by the Company	424.51	52.64
Transfer from other Company	-	-
Transfer to other Company	-	-
Benefit paid	(96.30)	(72.60)
Actuarial gains/(losses)	(2.00)	(3.76)
Balance as at the end of the year	528.37	190.78
bc Net Liabilities recognised in the Balance Sheet	958.70	1,279.05
bd Expenses recognised in the Statement of Profit and Loss		
Current service cost	97.24	101.74
Interest cost	110.67	100.52
Expected return on plan assets	(11.38)	(12.34)
Total expenses recognised in the statement of profit and loss	196.53	189.92
be The principal assumptions used for the purpose of actuarial valuation are as follows:		
India		
Discount Rate *	7.70%	7.80%
Expected Rate of Return on Plan Assets **	7.80%	7.25%
Salary Escalation Rate ***	7.00%	8.00%
Rate of Employee Turnover	4.00%	1.00%

* Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

** The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

*** The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as demand and supply in the employment market.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

bf Sensitivity analysis - the increase / (decrease) in present value of defined benefit obligation to changes in principal assumptions:

Particulars	31-Mar-19		31-Mar-18	
	Amount	%	Amount	%
- 1% increase in discount rate	(67.67)	-4.55%	(115.11)	-8.00%
- 1% decrease in discount rate	127.42	8.56%	134.86	9.00%
- 1% increase in salary escalation rate	106.73	7.17%	112.85	8.00%
- 1% decrease in salary escalation rate	(50.79)	-3.41%	(98.11)	-7.00%
- 1% increase in rate of employee turnover	23.50	1.58%	(5.10)	0.00%
- 1% decrease in rate of employee turnover	23.94	1.61%	6.02	0.00%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

(iii) Defined contribution plans:

The Company also has certain defined contribution plans. Contributions are made to recognised funds for employees at the prescribed rate of basic salary as per regulations. The contributions are made to registered funds administered/approved by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. In respect of these plans, contributions paid and recognised in the Statement of Profit and Loss are as follows:

	31-Mar-19	31-Mar-18
Contribution to Employees' Provident Fund	204.24	182.66
Contribution to Employees' Superannuation Fund	61.58	44.89
Contribution to ESIC	3.91	3.97
Contribution to Maharashtra labour welfare fund	0.38	0.38

NOTE 12: DEFERRED TAX ASSETS / LIABILITIES

a) Net Deferred Tax (Assets) / Liabilities:

Deferred tax assets and liabilities have been offset.

Accordingly the components of deferred tax assets and liabilities have been disclosed as follows:

	31-Mar-19	31-Mar-18
Major Components of Deferred Tax Assets -		
Employee Benefits -		
- Provision for Gratuity	294.83	399.55
- Provision for Leave Encashment	119.21	79.22
- Bonus on payment basis	44.29	45.96
Allowances for doubtful trade receivables	150.86	144.91
Provision for expenses allowable on payment basis	168.85	160.77
MAT Credit carried forward	449.66	181.07
	<u>1,227.70</u>	<u>1,011.48</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019(Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
Major Components of Deferred Tax Liabilities -		
Property, Plant and Equipment and Investment Property	1,954.75	1,735.09
Intangible asset	(2.43)	(3.17)
Goodwill	1,731.99	1,377.15
Amortization of Financial Liability	0.71	2.73
	<u>3,685.02</u>	<u>3,111.80</u>
Net deferred tax (assets) / liabilities	<u>2,457.32</u>	<u>2,100.32</u>

b) Movements in deferred tax liabilities

Particulars	Property, plant and equipment and investment property	Intangible assets	Employee Benefit	Int.exp on unwinding financial liability	Int. income on unwinding financial assets	Unutilised tax credit (MAT)	Prov.for expenses allowable on payment basis	Allowances for doubtful receivables	Total
As At 1 April 2017	1,387.26	927.44	(504.43)	6.95	-	-	(150.80)	(101.10)	1,565.32
Charged/(credited)									
- to statement of profit and loss	347.83	446.54	(39.68)	(4.22)	-	(181.07)	(9.97)	(43.81)	515.62
- to other comprehensive income	-	-	19.38	-	-	-	-	-	19.38
As At 31 March 2018	1,735.09	1,373.98	(524.73)	2.73	-	(181.07)	(160.77)	(144.91)	2,100.32
Charged/(credited)									
- to statement of profit and loss	219.66	355.58	46.23	(2.02)	-	(268.59)	(8.08)	(5.95)	336.83
- to other comprehensive income	-	-	20.17	-	-	-	-	-	20.17
As At 31 March 2019	1,954.75	1,729.56	(458.33)	0.71	-	(449.66)	(168.85)	(150.86)	2,457.32

Unused Tax Credits for which no deferred tax asset is recognised amounts to ₹ 430.55 Lacs as at March 31, 2019 and March 31, 2018.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019(Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
NOTE 13: ADVANCE INCOME TAX (NET)		
Advance income tax (net)-Opening Balance	548.93	342.92
Less :Income tax payable for the year	(551.00)	(573.00)
Add :Advance tax for current year	516.00	762.00
Closing balance	<u>513.93</u>	<u>531.92</u>

NOTE 14: OTHER CURRENT LIABILITIES

Advance from customers	484.67	611.64
Employee contribution toward provident and other funds	11.43	11.11
Statutory tax payables	24.60	35.37
Total	<u>520.70</u>	<u>658.12</u>

Contract liability i.e. the Company's obligation to transfer goods to customers for which the Company has received consideration from the customers of ₹ 160.81 lakhs (March 31,2018: ₹ 120.70 lakhs) is included in Advance from customers.

During the year ended March 31, 2019 the company recognized revenue of ₹ 120.70 lakhs arising from opening Contract liability as of April 1, 2018.

NOTE 15: REVENUE FROM OPERATIONS

	31-Mar-19	31-Mar-18
Sale of products		
Finished goods	56,565.57	46,624.44
Traded goods	2,181.67	3,815.09
	<u>58,747.24</u>	<u>50,439.53</u>
Other operating revenue		
Scrap sales	90.38	93.34
Export incentive	67.73	45.94
Insurance transit Outward	42.76	36.94
Others	4.02	7.12
	<u>204.89</u>	<u>183.34</u>
Total	<u>58,952.13</u>	<u>50,622.87</u>

In accordance with the requirements of Ind AS, revenue for the year ended March 31, 2019 is net of Goods and Services Tax ('GST'). However, revenue for the period April 1, 2017 to June 30, 2017 is inclusive of excise duty of ₹ 690.52 lakhs and revenue for the period July 1, 2017 to March 31, 2018 is net of GST.

NOTE 15(A): RECONCILIATION OF REVENUE RECOGNISED WITH CONTRACT PRICE -

	31-Mar-19	31-Mar-18
Contract Price	59,298.01	50,762.47
Adjustment for :		
Refund liabilities	213.71	159.26
Discounts and price concessions	337.06	163.68
Revenue from operation	<u>58,747.24</u>	<u>50,439.53</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019(Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
NOTE 16: OTHER INCOME		
Dividend income in investments in Mutual Funds	76.77	491.96
Interest Income		
-from Debtors	131.01	123.40
-from Bank	73.59	42.63
-from loan to others	39.32	45.72
Profit on sale of assets (net)	-	58.23
Net gain /(loss) on sale of investment	-	(437.95)
Others	5.40	0.16
Total	326.09	324.15

	31-Mar-19	31-Mar-18
NOTE 17(A): COST OF MATERIALS CONSUMED		
Raw materials at the beginning of the year	3,027.81	2,165.47
Add: Purchases	32,512.29	24,111.70
Less: Raw material at the end of the year	(5,349.33)	(3,027.81)
Sub total	30,190.77	23,249.36
Other materials at the beginning of the year	452.38	462.62
Add: Purchases	5,085.66	4,123.37
Less: Other material at the end of the year	(967.63)	(452.38)
Sub total	4,570.41	4,133.61
Total	34,761.18	27,382.97

NOTE 17(B): CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

	31-Mar-19	31-Mar-18
Opening balance		
Work-in progress	609.80	468.47
Finished goods	2,237.90	1,461.42
Traded goods	153.22	255.51
Total opening balance	3,000.92	2,185.40
Closing balance		
Work-in progress	884.77	609.80
Finished goods	1,559.83	2,237.90
Traded goods	120.29	153.22
Total closing balance	2,564.89	3,000.92
Changes in inventories of work-in-progress, finished goods and stock -in-trade	436.03	(815.52)

NOTE 18: EMPLOYEE BENEFIT EXPENSES

	31-Mar-19	31-Mar-18
Salaries, wages and bonus	4,106.19	3,696.46
Contribution to provident fund & other funds	302.07	261.03
Staff welfare expenses	140.73	139.00
Total	4,548.99	4,096.49

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
NOTE 19: DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation of property, plant and equipment	718.40	655.03
Amortisation of intangible assets	6.67	5.67
Total	725.07	660.70

NOTE 20: OTHER EXPENSES

	31-Mar-19	31-Mar-18
Repairs and maintenance		
Plant and machinery	828.71	1,143.51
Buildings	96.68	70.47
Others	83.91	61.31
Processing charges	566.07	274.92
Packing material consumed	1,192.29	978.67
Carriage outward	299.54	228.39
Directors Fees	3.64	2.98
Legal and professional fees	305.99	268.68
Advertisement & Sales Promotion	411.54	522.41
Rates and taxes	84.50	71.19
Rental charges	233.43	141.09
Increase/(decrease) of excise duty on Inventory	-	(100.15)
Research & development expenses	168.03	165.88
Insurance	54.99	55.26
Loss on sales of property, plant & equipment (net)	6.40	-
Allowance for doubtful debts /advances	10.04	126.62
Bad debts /advance written off	18.53	8.03
Corporate social responsibility expenditure (refer note 20(b) below)	55.00	25.00
Miscellaneous expenses	477.70	336.68
Total	4,896.99	4,380.94

NOTE 20(A): DETAILS OF PAYMENTS TO AUDITORS

	31-Mar-19	31-Mar-18
Payment to auditors		
As auditor:		
Audit fee (including limited review)	12.00	12.00
Tax audit fee	1.00	1.00
In other capacities		
Other services (incl.certification fees)	9.00	6.00
Re-imburement of expenses	0.05	0.21
Total	22.05	19.21

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

NOTE 20(B): CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

The Company has spent an amount of ₹ 55 lakhs (March 31, 2018 : ₹ 25 lacs) during the year, by way of contribution to M.P.Jatia Charitable Trust as required under section 135 of the Companies Act, 2013.

	31-Mar-19	31-Mar-18
Amount required to be spent as per Section 135 of the Act	57.38	28.79
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	55.00	25.00

NOTE 21: FINANCE COSTS

	31-Mar-19	31-Mar-18
Interest on financial liabilities measured at amortised cost	259.24	319.44
Interest on intercorporate borrowings	4.07	19.73
Interest on public deposits	295.53	329.70
Bank charges & commission	212.14	231.83
Interest others	24.76	3.17
Total	795.74	903.87

NOTE 21(A):

During the year, the Company has capitalised borrowing costs of ₹ 107.17 lakhs (March 31, 2018: Nil) incurred on the borrowings specifically availed for purchase of residential premises and expansion of production facilities @ 8.30% & 9.50 % p.a respectively. The interest expense disclosed above is net of the interest amount capitalised.

NOTE 22: INCOME TAX EXPENSE

a) Income tax expense

Particulars	31-Mar-19	31-Mar-18
Income tax expense		
Current Tax on profits for the year	551.00	573.00
Current Tax adjustments for prior periods	-	-
Total current tax expense	551.00	573.00
Deferred tax	336.83	515.62
Total deferred tax expense / (benefit)	336.83	515.62
Income tax expense reported in statement of Profit & Loss Account	887.83	1,088.62

b) The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:

Particulars	31-Mar-19	31-Mar-18
Profit before taxes	2,562.07	3,003.86
Enacted Income tax rate in India	34.944%	34.608%
Computed expected tax expenses	895.29	1,039.58
Tax effect of amounts which are not deductible (taxable) in calculating taxable income :-		
- Section 14A & Other Disallowances	10.04	9.18
Effect of deductions under Chapter VI A	11.41	4.43
Effect of Income exempt from tax	(27.06)	(18.44)
Adjustments of Current tax of prior periods	(24.00)	53.87
Effect of change in tax rate	22.15	-
TOTAL	887.83	1,088.62

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

c) Amounts recognised in OCI

Particulars	31-Mar-19		31-Mar-18	
	Income tax	Deferred tax	Income tax	Deferred tax
OCI				
- on remeasurements of post employment benefit obligations	-	20.17	-	19.38
Total	-	20.17	-	19.38

- d) **Changes in tax rate** - The applicable Indian statutory tax rate for the financial year 2018-19 is 34.944% and financial year 2017-18 is 34.608%

NOTE : 23 FAIR VALUE MEASUREMENTS

Financial instruments by category:

Particulars	31-Mar-19			31-Mar-18		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
- equity instruments	163.96	-	-	159.46	-	-
- mutual funds	2,219.03	-	-	1,872.18	-	-
Trade receivables	-	-	6,766.39	-	-	6,258.66
Cash and cash equivalents	-	-	341.26	-	-	362.20
Other bank balances	-	-	405.86	-	-	1,103.95
Derivative financial assets	-	-	-	-	-	-
Security deposits	-	-	49.49	-	-	17.64
Loans	-	-	225.00	-	-	303.32
Others	-	-	71.84	-	-	104.42
Total financial assets	2,382.99	-	7,859.84	2,031.64	-	8,150.19
Financial liabilities						
Borrowings	-	-	4,817.47	-	-	2,140.63
Public Deposits	-	-	2,870.37	-	-	3,469.82
Deferral Sales Tax	-	-	658.63	-	-	856.91
Trade payables	-	-	8,284.72	-	-	7,534.92
Capital creditors	-	-	245.12	-	-	3.95
Gst Payable	-	-	122.85	-	-	-
Refund Liability	-	-	213.71	-	-	159.26
Other financial liabilities	-	-	629.86	-	-	1,244.78
Total financial liabilities	-	-	17,842.73	-	-	15,410.27

(i) Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities that are measured at fair value or where the fair value disclosure is required.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements As At March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Mutual funds	4(b)	2,219.03	-	-	2,219.03
Equity instruments	4(b)	-	-	163.96	163.96
Total financial assets		2,219.03	-	163.96	2,382.99
Financial liabilities					
Total financial liability		-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements As At March 31, 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL					
Mutual funds	4(b)	1,872.18	-	-	1,872.18
Equity instruments	4(b)	-	-	159.46	159.46
Total financial assets		1,872.18	-	159.46	2,031.64
Financial liabilities					
Total financial liability		-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all mutual funds are arrived at by using closing Net Asset Value published by the respective mutual fund houses.

Level 2: Fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument as observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable data, the instrument is included in level 3.

(ii) **Valuation technique used to determine fair value**

The following methods and assumptions were used to estimate the fair value of the level 3 financial instruments included in the above tables:

The investment in unquoted equity instrument represents investment in class A equity shares of Sai Wardha Power Generation Limited (SWPGL). The investment have some restrictions as per the Share purchase agreement including restriction on sale of these investments to any third party. The fair value arrived at is after taking into account the relevant terms and condition of the Share purchase agreement. Also refer note 4(a) for details.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

(iii) **As per Ind AS 107 “Financial Instrument: Disclosure”, fair value disclosures are not required when the carrying amounts reasonably approximate the fair value. Accordingly fair value disclosures have not been made for the following financial instruments:-**

1. Trade receivables
2. Cash and cash equivalent
3. Other bank balances
4. Security deposits
5. Interest accrued on deposits
6. Borrowings
7. Trade payables
8. Capital creditors
9. Unpaid dividends
10. Employee dues
11. Bank overdrafts
12. Other payables

NOTE 24 : FINANCIAL RISK MANAGEMENT

The Company's business activities are exposed to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company.

a. MANAGEMENT OF CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and other financial instruments.

i) **Trade receivables:-**

Trade receivables are generally unsecured, except for export sales which are generally covered by letters of credit and some parties in Hygiene division where security is obtained in the nature of bank guarantee. Customer credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis for major customers. The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits.

To measure the expected credit loss, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 months before

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

the reporting date and the corresponding credit loss experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors such as expected industry growth, GDP, unemployment rate etc. affecting the ability of the customer to settle the receivables.

Expected credit loss for trade receivables under simplified approach:

Ageing	Not due	0-30 days past due	31-180 days past due	181-365 days past due	More than 365 days past due	Total
Gross carrying amount	5,910.75	745.55	136.11	18.99	643.06	7,454.46
Expected loss rate	0.25%	1.00%	10.00%	50.00%	100.00%	
Expected credit losses (Loss allowance provision)	14.48	7.45	13.61	9.50	643.03	688.07
Carrying amount of trade receivables (net of impairment)	5,896.27	738.10	122.50	9.49	0.03	6,766.39

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

Particulars	31-Mar-19	31-Mar-18
Revenue from top customer	13.41%	15.52%
Revenue from top five customers	36.98%	35.49%

The company's credit period generally ranges from 15-60 days

During the period, the Company made no write-offs of trade receivables. It does not expect to receive future cash flows or recoveries from receivables previously written off.

ii) Other financial assets:-

Credit risk on cash and cash equivalents is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, carried at fair value. Other financial assets that are potentially subject to credit risk consists of lease deposits and inter corporate loans. The Company charges interest on such loans at arms length rate considering counter party's credit rating. The Company assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. An impairment analysis is performed at each reporting date on an individual basis. The Company does not hold collateral as security. During the year, the company made additional provision of ₹ 7.62 lakhs for doubtful deposits and other financial assets. Based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against Loans and Other financial assets is adequate to cover the provision on account of expected credit loss. The Company's maximum exposure to credit risk is the carrying value of each class of financial assets.

iii) Reconciliation of loss allowance provision:

Particulars	Trade receivables	Other financial assets	TOTAL
Loss allowance on 1 April 2018	685.65	126.21	811.86
Changes in loss allowance	2.42	7.62	10.04
Loss allowance on 31 March 2019	688.07	133.83	821.90

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

b **MANAGEMENT OF LIQUIDITY RISK**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses or risking damage to company's reputation. In doing this, management considers both normal and stressed conditions.

Management monitors the rolling forecast of the company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The company has access to funds from debt markets through loan from banks. The company invests its surplus funds in bank deposits and debt based mutual funds.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Carrying value	As at 31 March, 2019				
		Contractual cash flows (undiscounted amount)				
		Total	Within 12 Months	1-2 years	2-5 years	more than 5 years
Financial Liabilities						
Non Current						
Borrowings	6,897.70	6,948.60	-	2,107.41	4,181.19	660.00
Current						
Borrowings	300.03	300.03	300.03	-	-	-
Trade payables	8,284.72	8,284.72	8,284.72	-	-	-
Other financial liabilities	2,360.28	2,360.28	2,360.28	-	-	-

	Carrying value	As at 31 March, 2018				
		Contractual cash flows (undiscounted amount)				
		Total	Within 12 Months	1-2 years	2-5 years	more than 5 years
Financial Liabilities						
Non Current						
Borrowings	2,589.97	2,596.79	-	996.71	1,327.22	272.86
Current						
Borrowings	135.04	135.04	135.04	-	-	-
Trade payables	7,534.92	7,534.92	7,534.92	-	-	-
Other financial liabilities	5,150.34	5,150.34	5,150.34	-	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

c **MANAGEMENT OF MARKET RISK:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, financial assets and liabilities in foreign currency, investments in quoted instruments and derivative financial instruments. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

i) **Foreign currency risk**

The primary market risk to the Company is foreign exchange risk. After taking cognisance of the natural hedge, the company selectively takes hedges to mitigate its risk resulting from adverse fluctuations in foreign currency exchange rate(s).

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. During the year ended March 31, 2019, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

aa **The company's exposure to foreign currency risk as of March 31, 2019 expressed in INR lakhs, is as follows:**

	31 March 2019			
	USD	CHF	EUR	Total
Financial assets				
Cash and cash equivalents	34.38	-	-	34.38
Trade receivables	57.88	-	-	57.88
Derivative assets				
Foreign exchange forward contracts - Sell foreign currency	-	-	-	-
Financial liabilities				
Trade payables	4,274.01	-	-	4,274.01
Other liabilities	9.32	-	-	9.32
Derivative liabilities				
Foreign exchange forward contracts - Buy foreign currency	711.68	-	-	711.68
Net assets / (liabilities)	(3,479.39)	-	-	(3,479.39)

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

- ab The company's exposure to foreign currency risk as of March 31, 2018 expressed in INR lakhs, is as follows:**

	31-March-2018			
	USD	CHF	EUR	Total
Financial assets				
Cash and cash equivalents	98.16	-	-	98.16
Trade receivables	74.88	-	-	74.88
Derivative assets				
Foreign exchange forward contracts - Sell foreign currency	-	-	-	-
Financial liabilities				
Trade payables	4,490.66	19.65	-	4,510.31
Other liabilities	5.35	-	1.27	6.62
Derivative liabilities				
Foreign exchange forward contracts - Buy foreign currency	-	-	-	-
Net assets / (liabilities)	(4,322.97)	(19.65)	(1.27)	(4,343.89)

- ac Sensitivity**

For the year ended March 31, 2019 and March 31, 2018, every percentage point appreciation/depreciation in the exchange rate would have affected the Company's operating margins respectively:

- INR/USD by approximately 1.36% and 1.46%
- INR/CHF by approximately Nil and 0.01%
- INR/EUR by approximately Nil and 0.00%

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into reporting currency, due to every percentage point appreciation/depreciation in the exchange rates.

- ad The following significant exchange rates have been applied during the year.**

INR	Year-end spot rate	
	31-Mar-19	31-Mar-18
USD	69.25	65.10
EUR	77.57	80.12
CHF	69.33	68.16

- ii) Interest rate risk exposure**

Interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates. The management is responsible for the monitoring of the company's interest rate position. Various variables are considered by the management in structuring the company's investment to achieve a reasonable, competitive cost of funding.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31-Mar-19	31-Mar-18
Financial liabilities		
Variable rate borrowings	4,664.29	2,001.76
Fixed rate borrowings	3,591.89	4,438.76
Total borrowings	<u>8,256.18</u>	<u>6,440.52</u>
Financial assets		
Fixed rate loans	225.00	303.32
Total loan given	<u>225.00</u>	<u>303.32</u>

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on profit after tax	
	31-Mar-19	31-Mar-18
Interest rates - increase by 50 basis points (50 bps)	(23.32)	(10.01)
Interest rates - decrease by 50 basis points (50 bps)	23.32	10.01

iii) Price Risk and Sensitivity:

The Company is mainly exposed to the price risk due to its investment in debt mutual funds. The price risk arises due to uncertainties about the future market values of these investments. As on 31-Mar-19, the investments in debt mutual funds amounts to ₹ 2219.03 lacs (31-Mar-18 : ₹ 1872.18). These are exposed to price risk.

The Company has laid policies and guidelines which it adheres to in order to minimise price risk arising from investments in debt mutual funds.

A 1% increase in prices would have led to approximately an additional ₹ 22.19 lacs gain in the Statement of Profit and Loss (2017-18 : ₹ 18.72 lacs gain). A 1% decrease in prices would have led to an equal but opposite effect.

NOTE 25 : CAPITAL MANAGEMENT

(a) Risk management

The Company's capital comprises equity share capital, share premium, retained earnings and other equity attributable to equity holders.

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises of long term and short term borrowings less cash and bank balances. Equity includes equity share capital and reserves that are managed as capital.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

Particulars	31-Mar-19	31-Mar-18
Borrowings (Current +Non-current)	8,307.05	6,440.52
Less: Cash and cash equivalents	747.12	1,466.15
Less: Current Investment	2,219.03	1,872.18
Net Debt	5,340.90	3,102.19
Equity	25,808.89	24,268.80
Net debt to Equity ratio	21%	13%

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

(b) Dividends

	31-Mar-19	31-Mar-18
Equity shares		
Final dividend for the year ended on March 31 2018: ₹ 0.15 per share (31 March 2017: ₹ 0.15 per share)	142.43	142.43
Dividend Distribution Tax on final dividend	<u>29.27</u>	<u>28.99</u>
	171.70	171.42
Proposed dividends on Equity shares:		
Final dividend for the year ended on March 31, 2019: ₹ 0.15 per share (31 March 2018: ₹ 0.15 per share)	142.43	142.43
Dividend Distribution Tax on final dividend	<u>29.27</u>	<u>29.27</u>
	171.70	171.70

Proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and is not recognised as a liability (including DDT thereon) as at year end.

NOTE 26 : SEGMENT INFORMATION

The Board of Directors examines the Company's performance based on the products and geographic perspective and has identified below mentioned reportable segments of its business as follows:

Paper : The Paper segment relates to manufacturing (including processing) and marketing of various types of speciality papers, consisting Opaque Laminating Base, Glassine, Base paper, Bible Paper, etc.

Hygiene products: The Hygiene products segment relates to processing/trading and marketing of tissue and other hygiene papers as well as marketing and distribution of other hygiene products.

Segment Revenue, Result, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure/income consist of common expenditure incurred for all the segments and expenses incurred or interest/investment income earned at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated assets and unallocated liabilities respectively.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 2. The operating segments reported are the segments of the Company for which separate financial information is available. Profit before tax (PBT) are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

The following table presents revenue, profit, assets and liabilities information regarding the Company's business segments:

Particulars	31-Mar-19	31-Mar-18
Segment Revenue		
a) Paper		
Sale of Finished goods	55,675.71	46,401.84
Sale of Traded goods	339.84	30.67
Other operating revenue	204.28	183.34
	56,219.83	46,615.85
b) Hygiene Products		
Sale of Finished goods	3,775.68	1,404.20
Sale of Traded goods	1,841.83	3,784.42
Other operating revenue	0.61	-
	5,618.12	5,188.62
Total	61,837.95	51,804.47
Less: Inter segment revenue	(2,885.82)	(1,181.60)
Net sale/ Income from operation	58,952.13	50,622.87
Segment Results (Profit before interest,tax & depreciation) :		
a) Paper	3,730.02	3,883.46
b) Hygiene Products	460.10	576.74
Total	4,190.12	4,460.20
Depreciation & amortisation expense		
a) Paper	720.07	651.98
b) Hygiene Products	5.00	8.72
Total	725.07	660.70
Less : Finance Cost	(795.74)	(903.87)
Add/(Less) : Other unallocable income/(expenses),net	(107.24)	108.23
Profit before tax	2,562.07	3,003.86
Segment Assets		
a) Paper	37,046.93	32,926.41
b) Hygiene Products	1,060.81	910.83
c) Unallocated	10,287.66	10,576.98
Total Assets	48,395.40	44,414.22
Segment Liabilities		
a) Paper	10,341.58	9,872.11
b) Hygiene Products	370.15	269.73
c) Unallocated	11,874.78	10,003.58
Total Liabilities	22,586.51	20,145.42

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	31-Mar-19	31-Mar-18
Revenue from external customers		
Within India	57,105.04	49,557.39
Outside India	1,847.09	1,065.48
Total	<u>58,952.13</u>	<u>50,622.87</u>

Revenue of approximately ₹ 7904.95 lakhs (March 31, 2018- ₹ 7855.15 lakhs) are derived from single external customer. These revenue are attributed to the Paper segment.

Non Current Assets **

Within India	27,500.78	26,427.14
Outside India	-	-
Total	<u>27,500.78</u>	<u>26,427.14</u>

** Non current assets for this purpose does not include financial assets.

NOTE 27 : RELATED PARTY DISCLOSURE**A List of related parties (as identified and certified by the Management)**

(i)	Name	Relationship
	3P Land Holdings Limited	Group Companies
	Pudumjee Hygiene Products Limited	Group Companies
	AMJ Land Holdings Limited	Group Companies
	Pudumjee Investment & Finance Company Limited	Group Companies
	Pudumjee Plant Laboratories Limited	Group Companies
	Pudumjee Holdings Limited	Group Companies

* Group Company are companies where KMP has control or significant influence

(ii) Key Management Personnel

Name	Designation
Shri. Arunkumar M.Jatia	Chairman & Non-Executive Director (till July 31, 2018) Executive Chairman (from August 1, 2018)
Shri. V.P.Leekha	Managing Director (till April 30, 2019)
Dr. Ashok Kumar	Executive Director
Shri. S. K. Bansal	Non-Executive Director
Shri. V.K.Beswal	Independent Director
Shri. Nandan Damani	Independent Director
Mrs. Madhu Dubhashi	Independent Director
Shri. B.K.Khaitan	Independent Director
Shri. G.N.Jajodia	Chief Executive Officer
Shri. H.P.Birla	Chief Financial Officer
Shri. Vinay Jadhav	Company Secretary

(iii) Entities where KMP have significant influence (EKMP)

Pudumjee Pulp & Paper Mills Limited Office Staff Provident Fund
M. P. Jatia Charitable Trust
Jatia Foundation

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED
MARCH 31, 2019 (Contd.)**

(iv) Relatives of KMP(RKMP)

(All amounts in INR Lakhs unless otherwise stated)

Name

Ms. Vrinda Jatia

B. Transactions with Related Parties

Sr. No.	Particulars	Volume of transactions during		Amount outstanding as on			
		31-Mar-19	31-Mar-18	31-Mar-19		31-Mar-18	
				Receivable	Payable	Receivable	Payable
i. Inter corporate deposits taken							
	3P Land Holdings Limited	5.00	-	-	32.35	-	-
	Pudumjee Hygiene Products Limited	-	32.46	-	-	-	32.46
	AMJ Land Holdings Limited	-	1,004.50	-	-	-	2.95
ii. Interest Paid							
	3P Land Holdings Limited	4.07	-	-	-	-	-
	Pudumjee Hygiene Products Limited	-	2.60	-	-	-	-
	AMJ Land Holdings Limited	-	3.27	-	-	-	-
iii. Sale of goods							
	3P Land Holdings Limited	-	0.42	-	-	-	-
	AMJ Land Holdings Limited	1.10	1.88	-	-	0.12	-
iv. Wind Power and REC Purchases							
	AMJ Land Holdings Limited	202.60	73.56	-	27.76	-	0.59
v. Reimbursement for expenses common services and utilities, charged							
	3P Land Holdings Limited	0.32	0.32	-	-	-	-
	AMJ Land Holdings Limited	1.27	1.61	-	-	-	-
vi. Rent Paid							
	3P Land Holdings Limited	14.16	14.07	-	-	-	-
	AMJ Land Holdings Limited	110.31	108.73	-	-	-	-
vii. Dividend paid							
	3P Land Holdings Limited	25.22	25.22	-	-	-	-
	Pudumjee Hygiene Products Limited	0.03	0.03	-	-	-	-
	AMJ Land Holdings Limited	1.03	1.03	-	-	-	-
	Pudumjee Investment & Finance Company Limited	2.66	2.66	-	-	-	-
	Pudumjee Holdings Limited	0.34	0.34	-	-	-	-
viii. Contribution to Employees' Provident Fund							
	Pudumjee Pulp & Paper Mills Limited Office Staff Provident Fund	27.22	16.17	-	-	-	-
ix. Donations given							
	M.P.Jatia Charitable Trust	55.00	-	-	-	-	-
	Jatia Foundation	-	25.00	-	-	-	-
x. Remuneration to Key Management Personnel (KMP):							
a)	Short-term employee benefits	401.54	206.38	-	-	-	-
b)	Post employment benefit	90.97	96.39	-	-	-	-
c)	Other long term benefits	28.36	3.45	-	-	-	-
d)	Sitting fees to non-executive directors	3.64	2.98	-	-	-	-
	Total remuneration to KMP	524.51	309.20	-	-	-	-
xi. Remuneration to Relative of Key Management Personnel (RKMP):							
a)	Short-term employee benefits	30.40	-	-	-	-	-
b)	Post employment benefit	0.87	-	-	-	-	-
c)	Other long term benefits	0.92	-	-	-	-	-
	Total remuneration to RKMP	32.19	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

NOTE 28 : CONTINGENT LIABILITIES

Particulars	31-Mar-19	31-Mar-18
(a) Excise/Service tax/Customes related demands /Notifications:		
Matters decided in favour of the Company by appellate authorities, where the Department is in further appeal.	21.37	21.73
(b) Octroi :		
Claims against the Company not acknowledged as debts.	197.31	197.31
(c) Interest on electrical duty on generated power: Claims against the Company not acknowledged as debts.	327.23	327.23
	<u>545.91</u>	<u>546.27</u>

- (d) The Company has been purchasing power (i.e. electricity) from Sai Wardha Power Generation Limited (SWPL) since June 2016 under the Group Captive mechanism. Any purchase of power under Group Captive mechanism is exempt from the levy of Cross Subsidy Surcharge (CSS) and Additional Surcharge (ASC) subject to certain conditions.

In respect of the power supply availed by the Company from SWPL, the Maharashtra State Electricity Distribution Company Limited (MSEDCL) had levied in the bill raised on the Company CSS and ASC for financial year 2016-17 of ₹ 716.98 lakhs and 2018-19 (till October 2018) of ₹ 863.39 lakhs and the same is sub judice being disputed before appropriate authorities. In terms of the interim stay granted for 2018-19 by Appellate Tribunal for Electricity (APTEL) the Company was required to deposit ₹ 431.70 lakhs being 50% of CSS and ASC for the Financial Year 2018-19 while staying the demand for that year.

Further in terms of the Power delivery agreement with SWPL, if CSS/ ASC is ever imposed for any reason whatsoever then SWPL shall, at its own cost and consequences, approach the appropriate Forum/ Courts as may be considered appropriate by SWPL until the levy is finally and absolutely confirmed by such Court/Forum. If CSS/ ASC is levied on or directly or indirectly borne by the Company it would be forthwith reimbursed to the Company by SWPL or the Company will deduct the same from the amounts payable to SWPL.

As on date SWPL has become a subject matter of Insolvency and Bankruptcy Code wide an order of National Company Law Tribunal, Hyderabad. The Resolution process of SWPL is not yet completed and the Company's claims of CSS/ ASC from SWPL have been rejected by the Resolution Professional of SWPL, on the ground that the claims are sub judice.

In view of the nature of dispute and merits of the case, the Company does not envisage an ultimate liability for these amounts and accordingly as on balance sheet date no provision had been made in books for the same.

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

NOTE 29 : COMMITMENTS

- (a) **Capital expenditure contracted for at the end of the reporting period but not recognised as liability is as follows:**

Particulars	31-Mar-19	31-Mar-18
Property plant and equipment	3,950.71	4,735.40
Intangible assets	-	-

- (b) **Non-cancellable operating leases**

The Group has taken on lease certain facilities and equipment under operating lease arrangements that expire over the next five years. Rental expense incurred by the Company under operating lease agreements totalled approximately ₹ 233.43 lakhs (March 31, 2018 ₹ 141.09 lakhs)

Particulars	31-Mar-19	31-Mar-18
Future minimum lease payments in respect of non-cancellable operating leases		
Not later than one year	241.81	143.27
Later than one year and not later than five years	253.54	294.98
Later than five years	16.27	47.59

NOTE 30 : EARNINGS PER SHARE

Particulars	31-Mar-19	31-Mar-18
Profits attributable to equity shareholders (₹ in lakhs)	1,674.24	1,914.70
Basic Earnings Per Share		
Weighted average number of equity shares outstanding during the year	949.50	949.50
Basic EPS (₹)	1.76	2.02
Diluted Earnings Per Share		
Weighted average number of equity shares outstanding for diluted EPS	949.50	949.50
Diluted EPS (₹)	1.76	2.02

NOTE 31: IMPAIRMENT

- (a) Goodwill has arisen as per the Scheme of arrangement and reconstruction(demerger) approved by high court dated January 8, 2016. Goodwill reflects the difference between the fair value of shares issued and all the net assets transferred at carrying value under the scheme. The management monitors goodwill at the company level by considering entire business. Consequently goodwill is not allocable to any segment or cash generating unit.

Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of the entire business of the company.

- (b) The recoverable amount is the higher of its fair value less cost to sell and its value in use. The fair value is determined based on market capitalization while the value in use is determined based on specific calculations. These calculations use pre-tax cash flow projections for the company over a period of 5 years. An average of the range of each assumption used is mentioned below. The recoverable amount was computed based on value-in-use being higher than fair value and the carrying amount of the total assets . The key assumptions used for the calculations are as follows:

NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

(All amounts in INR Lakhs unless otherwise stated)

	(in %)
	March 31, 2019
Long term growth rate	0.50%
Discount rate	12.15%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Operating margins	Based on past performance and management's expectations of the future.
Long term growth rate	The rates are consistent with forecasts included in industry reports.
Discount rate	This is the weighted average cost of capital.

- (c) Based on the above, no impairment was identified as of March 31, 2019 as the recoverable value exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (revenue growth, operating margin, discount rate and long-term growth rate) based on reasonably probable assumptions, did not identify any probable scenarios where the recoverable amount would fall below its carrying amount.

NOTE 32 : DISCLOSURE FOR CHANGES IN FINANCIAL LIABILITIES (AS PER AMENDMENT TO IND AS 7)

Particulars	31-Mar-18	Cash flows	Non cash changes Fair value / Amortisation changes	31-Mar-19
Long term borrowings (Including current maturities)	6,305.48	1,693.01	8.53	8,007.02
short term borrowings	135.04	164.99	-	300.03
Total liabilities from financing activities	6,440.52	1,858.00	8.53	8,307.05

NOTE 33 : IMPACT OF CHANGE IN ACCOUNTING POLICY

The Company has adopted Ind AS 115 Revenue from contract with Customers, from April 1, 2018. However, this has not resulted in any impact on the revenue recognised for current year or previous year. Additional disclosures as required under Ind AS 115 have been made in the financial statement presented. Comparative amounts presented have been re-grouped to align with current year's presentation and disclosures.

NOTE 34 : RECLASSIFICATION

Previous year figure's have been reclassified to conform to this year's classification.

The accompanying notes are an integral part of the financial statements
As per our report of date attached

For and on behalf of the board of directors of
Pudumjee Paper Products Limited

For J M AGRAWAL & CO.
Firm Registration No - 100130W
Chartered Accountants

V. K. BESWAL
Director

A. K. JATIA
Executive Chairman

PUNIT AGRAWAL
Partner
Membership No. 148757
Place : Mumbai
Date : 24th May, 2019

VINAY JADHAV
Company Secretary
H. P. BIRLA
Chief Financial Officer

DR. ASHOK KUMAR
Executive Director
Place : Mumbai
Date : 24th May, 2019

FORM MGT-11**Proxy Form**

Pursuant to section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration Rules, 2014)

Name of the member (s) : **PUDUMJEE PAPER PRODUCTS LIMITED CIN: L21098PN2015PLC153717,**
Registered office : **THERGAON, PUNE - 411 033.**

Name of the member (s) :
Registered address :
E-mail Id :
Folio No./ Client Id/DPID :

I/We, being the member (s) of Shares of the above named company, hereby appoint,

1. Name :
Address :
E-mail Id :
Signature : or failing him
2. Name :
Address :
E-mail Id :
Signature : or failing him
3. Name :
Address :
E-mail Id :
Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on our behalf at the 5th Annual General Meeting of the Company, to be held on the Saturday, the 27th day of July, 2019 at 3.00 p.m. (ST) at the Registered Office of the Company at Thergaon, Pune 411 033 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No(s). (Please tick (✓) at appropriate box below)

	For	Against
1. Adoption of Accounts & Reports of Directors & Auditors.	<input type="checkbox"/>	<input type="checkbox"/>
2. Appointment of Director retiring by rotation.	<input type="checkbox"/>	<input type="checkbox"/>
3. Declaration of Dividend.	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Appointment of Auditors and fixing their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
5. Consent to the subsisting contracts already entered/to be entered into with Related Party(ies).	<input type="checkbox"/>	<input type="checkbox"/>
6. Appointment and Remuneration of Mr. Arunkumar Mahabirprasad Jatia as an Whole-Time Director.	<input type="checkbox"/>	<input type="checkbox"/>
7. Revision in the Remuneration of Managing Director, Mr. Ved P. Leekha.	<input type="checkbox"/>	<input type="checkbox"/>
8. Revision in the Remuneration of Executive Director, Dr. Ashok Kumar.	<input type="checkbox"/>	<input type="checkbox"/>
9. Consent for acceptance of fixed deposits from public.	<input type="checkbox"/>	<input type="checkbox"/>
10. Approval for providing Guarantee(s), Loan(s) to Bodies Corporate(s).	<input type="checkbox"/>	<input type="checkbox"/>
11. Approval to the remuneration of Cost Auditors.	<input type="checkbox"/>	<input type="checkbox"/>
12. Alteration of Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
13. Appointment of Mr. Ved P. Leekha, as Non-Executive Director.	<input type="checkbox"/>	<input type="checkbox"/>

P. T. O.

Signed this.....day of2019.

Signature of shareholder



Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



PUDUMJEE

PUDUMJEE PAPER PRODUCTS LIMITED

Registered Office: Thergaon, Pune - 411 033.

Tel: +91-20-40773423, **Fax:** +91-20-40773388

CIN: L21098PN2015PLC153717,

Website : www.pudumjee.com, **E-mail:** investors.relations@pudumjee.com

ATTENDANCE SLIP

Please complete and sign this attendance slip and hand over at the entrance of the meeting hall.

1. Name and Registered Address of the sole / first
named Shareholder :
2. Name(s) of the Joint Shareholder(s) if any :
3. Name of Proxy (if any) :
4. Registered Folio No./DPID & Client ID No. :
5. Number of Shares held :

I hereby record my presence at the 5th Annual General Meeting of the Company at its Registered Office at Thergaon, Pune 411 033, at 3.00 p.m. (ST) on Saturday, the 27th day of July, 2019.

Signature of the Member/Proxy

COURIER / REGD. POST

If undelivered, please return to :

Pudumjee Paper Products Limited
Thergaon, Pune - 411 033.